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THE SCOTCH OF A LIFETIME

The Buchanan Blend



CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.0; GERMANY DM 2.0; ITALY L 80; NETHERLANDS Fl 2.0; NORWAY Kr 1.5; PORTUGAL Esc 20; SPAIN Ps 40; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 15p

NEWS SUMMARY

GENERAL

House prices show big rise

House prices have risen this year by 15 per cent in the last 12 months, the society's annual housing market report shows. Modern (post-1919) properties rose on average by 30 per cent while the average price of pre-1919 properties went up by 24.5 per cent.

The society based its analysis on 35,000 properties it dealt with during 1978. There were signs that prices were beginning to ease, it added. Back Page.

Uganda amnesty

Uganda's Vice-President Gen. Mustafa Adrisi has been replaced as Defence Minister by Major Ibrahim Monda. President Idi Amin said. He also announced an amnesty for all exiled Ugandans who had left the country after 1971, when he came to power. Page 2.

Time-limit nears

Strenuous efforts are being made to ward off today's threatened killing of the two British bankers being held hostage by guerrillas in El Salvador. Page 4.

Mourners fly in

Foreign delegations began arriving in Algiers for today's State funeral of President Houari Boumedienne. First to arrive included ELA leader Youssef Akkacha and President Hafiz al-Assad of Syria.

Blacking vote

Daily Express journalists voted to stop blacking Press Association copy. Management of Kings and Hutchings, printing works, Uxbridge, dismissed 10 press room workers for taking action in support of the provincial journalists' dispute. Page 1.

'More saw ITV'

Up to four times as many families watched ITV in preference to BBC TV on Christmas Day evening, a preliminary survey carried out by AGB for Thames Television shows. Page 5.

Miners killed

Four South African mine workers were killed and nine injured when a pressure burst occurred at the Gold Fields group's Doornfontein gold mine, the company said. Six other miners were still missing. Page 14.

Ecevit move

Turkish Prime Minister Bulent Ecevit set up a co-ordination directorate, including senior military officers, to enforce martial law regulation in riot-hit areas. Page 2. The economic threat to democracy. Page 13.

Briefly...

Body of British university lecturer Malcolm Caldwell, murdered by gunmen in Phnom Penh, Cambodia, last Saturday, left Peking for Britain.

Sig. Emilio Colombo, President of the European Parliament, will pay an official visit to China from January 3 to 7.

Some 45 per cent of Danes oppose continued EEC membership by their country, with only 39 per cent in favour, public opinion poll shows. Page 2.

World chess champion Anatoly Karpov has been named Soviet Union sportsman of the year.

Greek cargo ship Tenorax sank off Leixoes, Portugal, with 20 of its crew feared drowned.

Floods on the Indonesian island of Sumatra have left 20,000 in urgent need of food.

BUSINESS

Equities down 5; Lead up £5

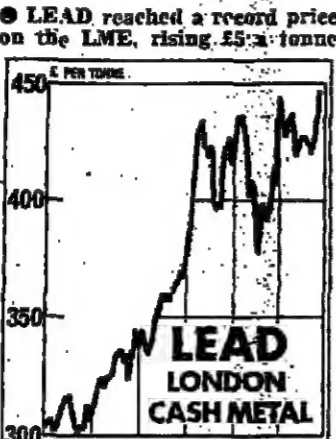
EQUITIES were unsettled by the crisis in Iran and tanker drivers' strike. The FT ordinary index, down 5.1 at 10 a.m., closed 5.3 off at 472.9.

GILTS showed little movement at the longer end and the Government Securities index closed unchanged at 68.66.

STERLING fell 89 points to \$2.0290, with its trade-weighted index unchanged at 65.5. The dollar improved in the foreign exchange market and its depreciation remained unchanged at 9.7 per cent.

GOLD fell \$1 to \$221.1 in London, and in New York the Comex January settlement price was \$223.10 (\$222.80).

LEAD reached a record price on the LME, rising 15 a tonne



to \$447, following the previous day's rise of £12.25. Page 17.

WALL STREET closed 2.60 down at \$85.95.

HONG KONG has raised its prime lending rate by 0.75 per cent to 9.5 per cent. Page 3.

MOBIL has failed to find oil or gas in the seventh dry well drilled in the Baltimore Canyon, 100 miles off the New Jersey coast. Page 4.

SCOTTISH manufacturing companies will invest at least \$575m in new building and equipment in 1979, and create more than 4,000 new jobs, a survey by the Scottish Council for Development and Industry has shown. Page 6.

U.S. TRADE deficit in November narrowed to below \$3bn and the index of leading economic indicators fell for the first time since July. This brings the trade deficit for the 11 months of 1978 to \$26.74bn. Back Page.

U.S. TREASURY has launched an investigation into whether \$150.8m worth of carbon steel plate has been dumped in the U.S. from Belgium, France, Germany, Italy and the UK. Back Page.

Meanwhile, further losses are feared throughout the EEC steel industry with production costs outstripping sales, and steel companies see little prospect of a general increase in prices before the spring. Back Page.

FORD would have been the 1978 market leader in Western Europe for both cars and commercial vehicles, had it not been for the UK industrial dispute. By the end of October, Ford had captured 13 per cent of new car sales and 13.3 per cent of commercial vehicle sales. Back Page.

COMPANIES

S. HOFFMANN pretax profits for the half year to September 30 fell from £1.52m to £580,000 on turnover down from £50.97m to £43.48m. Page 14.

DALGETY has sold its Australian wine and spirits division to Seagram (Australia), a subsidiary of Seagram of Canada, in a deal believed to be worth about £7m to Dalgety. Page 14.

COMMERCIAL UNION has declared record bonus rates on with-profits life business for the three-year period to December 31. Page 14.

Shell pay formula may offer solution to tanker strike

BY ALAN PIKE, LABOUR CORRESPONDENT

The national tanker drivers' threatened strike next week may be averted after a breakthrough by union officials during negotiations yesterday with Shell management.

Union leaders concluded the 22-hour negotiating session by reaching an agreement which they will recommend to the company's 2,600 driver and related employees to accept.

The Shell agreement is similar in size to the 15 per cent Esso offer but union officials say it does not contain the same productivity clauses to which many Esso drivers are opposed.

Union officials hope that they will now be able to use the Shell agreement as a model for continuing negotiations with the other major oil companies and, by removing the contentious issue of the Esso productivity clauses, obtain settlements which their members will endorse.

The result of a ballot among employees at Esso's 39 depots on whether to accept the company's offer will be known today. Close voting is expected. Unofficial estimates yesterday showed that 16 Esso depots had voted to accept the offer and

15 to reject, with the remaining depots still to vote.

The final decision will be based on a head count of employees rather than a depot-by-depot vote.

Although the offer could increase Esso drivers' earnings by about £15 per week, many have complained about the attached productivity conditions. This is clearly an important factor in many of the votes to reject the package.

The Transport and General Workers' Union conducts separate negotiations with all the leading oil companies. After leaving Shell, officials opened talks last night with BP and Texaco.

However, the settlements are closely influenced by each other and if union officials consider the Shell offer superior they will apply strong pressure on the other companies to conclude similar agreements.

Mobil delegates meet today to consider a new offer from the company—again in the region of 15 per cent.

The Shell offer is being presented to drivers during the weekend and shop stewards will meet on Tuesday to consider their reaction.

This means that the question of whether Wednesday's threatened strike action will go ahead is likely to be finally decided at the very last moment.

The Government is training troops to maintain essential fuel supplies; if the strike goes ahead but has no plans to issue the public with petrol coupons.

Most of industry has enough oil to last for four weeks or more, says the Confederation of British Industry.

Companies were unlikely to have to lay off any workers for at least ten days if the strike went ahead, the CBI said.

This view was based on an assessment of the amount of oil stocks held by industrial companies in tanks on their own premises.

Heavy consumers of oil often hold stocks which can last for up to a month.

Agriculture policy dispute may delay EMS start

BY JONATHAN CARR IN BONN AND DAVID WHITE IN PARIS

THE START of the European Monetary System may be delayed beyond the January 1 target date because of the continuing dispute between France and other EEC members over the Common Agricultural Policy.

French officials yesterday repeated their earlier warnings that unless the balance of subsidies to French and German farmers was altered, EMS would not become fully operational next week.

But the West German Government said it expected the system to start as planned and noted that Bonn had not received words to the contrary from Paris since earlier this month.

President Giscard d'Estaing committed France to EMS membership from the start.

The overall position was confused last night, not only because of uncertainty about how far France was involved

in an elaborate exercise in bluff but also because of the visits abroad of President Giscard and Chancellor Helmut Schmidt of West Germany.

The foreign exchange markets believed that EMS would start next week and would include France from the beginning.

There were some suggestions yesterday that the system could not go ahead unless France dropped its reservations about whether new Monetary Compensatory Amounts arising out of the creation of EMS should be allowed to last longer than a year.

MCAs are mechanisms which allow national farm prices to differ while maintaining Community prices.

It is technically possible for EEC currencies to be linked without an immediate settlement of this issue since EMS and CAP will operate separately. But the CAP aspects of

the system will have to be sorted out fairly quickly because of changes in the method of valuation.

Arrangements for the start of the system are going ahead, for the moment, as planned. Central parties between the eight participating currencies will be fixed on the basis of the market rates ruling this afternoon where Continental markets close (1.30 pm GMT).

In addition, central bankers will hold talks over the next couple of days to resolve the remaining questions about how the credit facilities will work.

In particular, officials will have to decide on the valuation of gold in the very short-term swap facilities under which member countries will deposit a fifth of their gold and dollar reserves in return for the issue of new European Currency

Continued on Back Page

Brazil nationalises power group

BY RICHARD LAMBERT

THE LAST large foreign-controlled utility operating in Brazil is to be nationalised. The Brazilian Government is paying U.S.\$380m for the 53 per cent interest in Light-Servicos de Eletricidade currently owned by Brascan, the Canadian investment management company.

The disposal will involve the Canadian company in a book loss of \$466m. Unlike similar deals in the past, the consideration will be payable entirely in U.S. dollars and there are no repayment requirements.

Under the terms of the transaction, \$210m will be payable on the closing date, which is expected in the next fortnight. The rest will be payable 90 days later.

The proceeds represent about C\$17.20 a share, and Brascan says that the net worth of its remaining assets exceed a further C\$10 a share. Brascan's

shares were suspended on Wednesday at C\$184.

Light-Servicos de Eletricidade distributed about 41 per cent of the electric energy consumed in Brazil in 1977. Its service area, with a population of 21m, includes the metropolitan regions of Sao Paulo and Rio de Janeiro.

Last year, the company purchased 77 per cent of its energy requirements from Government-owned generating companies.

Net income of Light amounted to \$185m in 1977, but the company has been finding it increasingly difficult to generate enough funds to finance a growing capital requirement. Electricity demand has been rising annually at 10 per cent, and its capital spending for 1978 has been estimated at \$325m.

At the end of 1976, a group of prominent Brazilian businessmen expressed an interest in

buying Brascan's stake for a reported U.S.\$760m. Payment under that deal would have been spread over 10 years.

In the absence of a guarantee by the Brazilian Government of the payments to Brascan, the talks came to nothing.

The offer announced yesterday has been made by Electrobras, the national power company owned by the State. Brascan says that it has been allowed no time to submit the proposals to a shareholders' meeting. Its directors have accepted the terms which they say are "in the best interests" of the company and its shareholders.

No decisions on reinvestment have been made. However, Brascan plans to use the money to develop its existing interests, which are in three main areas: natural resources, consumer goods and financial services.

See Back Page

UK contingency plans ready to offset Iran oil stoppage

BY SUE CAMERON

THE UK Government is drawing up contingency plans to deal with the effect of a protracted Iranian oil stoppage.

Iran—the world's second biggest oil exporting nation—normally supplies about 16 per cent of the 95m tonnes of crude that the UK consumes each year. But during the past four days all oil exports from Iran have ceased.

Britain has sufficient oil reserves to last at least 72 days but if any stoppage in Iran shows signs of continuing for weeks, the Government will be forced to take emergency action. One possible course being considered by the Department of Energy is a ban on North Sea

oil exports.

The North Sea now supplies just over half the UK's oil needs but between 35 per cent and 40 per cent of Britain's North Sea crude is at present being exported. Oil companies could be forced to divert much of this back to the UK. At present they can export North Sea crude only if they are granted waivers on UK oil landing.

If the Iranian stoppage began to have a serious impact on domestic supplies, the Government could simply withdraw the waivers.

The Department of Energy said last night that a total ban on North Sea oil exports would probably be unnecessary, especially as it was

looking at other ways of making good a long-term cessation of imports from Iran. It said part of any shortfall could be met by an increase in imports from Saudi Arabia and it pointed out that Saudi exports to the UK had risen in the last few weeks from about 25 per cent of total British consumption to roughly 30 per cent.

British Petroleum, which normally relies on Iran for about 30 per cent of its global oil supplies, has started to cut deliveries of crude to its customers. In October the group warned customers that it might have to cut supplies by up to 25 per cent of what had been ordered if the situation in Iran worsened.

Street fighting as oilfield output ceases

BY SIMON HENDERSON

TEHRAN—Savage fighting continued to erupt in the streets of Iranian cities yesterday as the government claimed that Iran—the world's second largest oil exporter—had stopped all production.

More than 30 people were reported killed in clashes between demonstrators and soldiers in the southern city of Ahwaz in the centre of the oilfields. Ten bank branches and the offices of Iranair were set ablaze.

In the North-Western city of Qazvin three people were killed and two wounded, apparently by tanks. In Tehran itself the intensity of the rioting lessened but at least three buses and three fire engines were burned. The sound of sporadic rifle fire still echoed across the city.

Contrary to the Government's claim other reports say reduced production is continuing at 340,000 barrels a day compared to 3.7m barrels a day in normal times. This is still only enough to meet half of Iran's domestic requirements.

The opposition has accused the Government of deliberately keeping oil products off the local market so as to discredit the strikers.

A serious development, not seen in previous oilworkers' strikes, has been the mass resignation of Iranian employees of OSCO, the operating company of the Western oil consortium.

The resignations, admitted by OSCO and claimed to number 4,400 by the opposition, were sent in three days ago. The company is expected to counter them by asking for the resignation letters to be submitted individually.

Expatriate employees continue to remain at home and stay away from work while plans are reportedly being made to evacuate them until the crisis ends and production resumes.

There are over 800 working for OSCO but many dependants have already left. There is likely to be strong Iranian Government pressure against an evacuation of the oil staff themselves.

The Government claims that production and refining has now stopped completely. It has asked the religious leaders, the Shah's fiercest opponents, to tell people to return to work because of the serious consequences to Iran of a prolonged shutdown of the oilfields. The country's normal oil revenue are some \$21bn a year.

Even if production were to increase now, a total strike has closed the main crude oil export terminal at Kharg Island in the Gulf. Not only are the loading facilities shut with as many as 60 tankers waiting offshore, but a production unit and a chemical complex on the island are also closed.

Initiatives to break the deadlock have been limited to a senior employee of the National Iranian Oil Company being sent to talk with strikers on behalf of the company's president.

The chances of a new civilian government under Dr. Gholam Hossein Sadqi, the veteran politician tainted by corruption scandals now seem very slight.

West confident of oil Page 2

£ in New York

	Dec. 28	Previous
Spot	\$3.0855-0.0050	\$3.0855-0.0050
1 month	0.10-0.05 ds	0.07-0.22 ds
3 months	0.38-0.34 ds	0.48-0.41 ds
12 months	1.75-1.65 ds	2.10-1.95 ds



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The Buchanan Blend

THE SCOTCH OF A LIFETIME



CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES	FALLS
Funding 5 1/2p	£2.84 28 1/2
De Vere Hotels	188 + 4
Extel	130 + 4
Kennedy Smale	44 + 6
Saga Holidays	182 + 5
Anglo United	230 + 34
Ayer Htam	380 + 20
De Beers Deft.	352 + 4
West Drieston	225 + 1
Baker and White	149 - 4
Baker Perkins	144 - 6
Brentford Beard	32 - 2
Brown (J.)	365 - 10
Common Bros.	183 - 7
Daily Mail "A"	353 - 5
Distillers	201 - 3
GEC	328 - 6
Gill and Duffus	145 - 7
Glaxo	505 - 5
Guinness (A.)	168 - 3
Heath (C.E.)	235 - 7
Highland Distills.	64 - 4
Hoffmann (S.)	177 - 4
Ladbroke	73 - 6
Monk (A.)	293 - 10
Pilkington	157 - 6
Turner and Newall	308 - 7
Yarrow	915 - 10
BP	128 - 6
LASMO	128 - 6

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For latest Share Index: phone 01-346 8025

EUROPEAN NEWS

Poles set to walk an economic tightrope

By Christopher Bobinski

POLAND is about to embark on a delicate economic manoeuvre which entails cutting economic growth by half next year through a 10 per cent reduction of investment and tight controls on imports. It has been dictated largely by the need to eliminate the trade deficit by 1980 and keep the confidence of western banks and institutions which have lent Poland around \$16bn so far and which will be asked to lend more in future.

The question is whether this can be achieved without provoking the kind of consumer protests which have led to strikes and demonstrations on several occasions in the past. The Polish leader, Mr. Edward Giersek, came to power in December 1970 in the wake of strikes and demonstrations which toppled his predecessor Mr. Wladyslaw Gomulka. Mr. Giersek nearly suffered a similar fate in 1976 when the Government tried to raise food prices steeply.

Import surge

The main brunt of next year's cuts will be in industrial investment, precisely that area which so far has received top priority and which was directly linked to the massive upsurge of imports financed by credits and bank loans. At the same time however investment is to go up in those sectors which directly supply the consumer and which require little foreign exchange.

Thus spending on house construction is scheduled to rise by 5 per cent next year, the health service is to get another 15 per cent while funds devoted to agriculture are also to rise by 1.4 per cent. Housing, agriculture and the food industry combined are scheduled to take 52 per cent of the total 588bn zloty (\$9.5bn) earmarked for investment next year. Investment in the energy sector—mainly the development of coal mines and electric power infrastructure—will take a further 25 per cent while industry will get the remaining 23 per cent.

There are also significant changes planned in the composition of industrial production. The former emphasis on the production of capital goods is being downgraded in favour of boosting consumer goods production and production for export.

Thus while overall industrial production is to rise by 4.8 per cent, consumer production is to go up by 7.7 per cent and output of export goods by 8.7 per cent.

Price increases
The rise in the cost of living in 1978 is officially estimated at 6 per cent, but this is largely due to unplanned price increases. The authorities are promising more energetic measures to hold down prices next year. It could well be however that the 16 to 18 per cent real wage increase pledged in the five-year plan up to 1980 will not be fulfilled by the eighth party congress which is scheduled for early 1980.

Hard currency exports next year are a crucial area in the 1979 plan. Trade turnover is planned to go up by 7 per cent, with exports up by 9.1 per cent and imports by 5.1 per cent compared to this year. Already the cutbacks in the import of raw materials, plant and spare parts are causing considerable production losses. This, taken together with power cuts caused by shortages of power generating capacity, is another reason for the low growth rate next year.

Agricultural production, another key area given Poland's meat shortages, is to go up by between 3.9 and 4.8 per cent in 1979, compared to 3 per cent growth this year. Plant production is to go up from 5.1 to 6.8 per cent and animal production by 2.4 per cent.

oland's economic difficulties are also having an effect on debates inside the party. Provincial party first secretaries were keen to speak of local problems at a Central Committee meeting devoted to the implementation of the 1979 plan last week. This group of 49 men who run the equivalent of British counties are at present in a very difficult position. They have to answer to the centre for fulfilment of their plan at a time when raw material shortages and power cuts are playing havoc with production schedules. Also they are much closer to a tired and sometimes angry population than are the leadership in Warsaw.

IG-Metall halting 3 more plants

BY JONATHAN CARR

BONN — Exactly a month after the start of the strike in the West German steel industry, the trade union IG-Metall announced yesterday that it was planning to extend the action "to force the employers back to the negotiating table."

The decision means that from next Wednesday about half the 200,000 steelworkers in the North Rhine-Westphalia, Osnabrück and Bremen areas will be affected by the strike.

At the same time, the union leadership called on the employers to resume talks to end the stoppage. A senior management representative said

the employers would discuss the proposals without delay. So far 37,000 men have been on strike and another 43,000 have been locked out by the employers. The extension of union action will affect Fried Krupp Huttenwerk in Bochum (9,200 workers), Klockner Huetten in Bremen (5,300) and Thyssen Edelstahlwerk in Krefeld (5,500). The Krefeld works, the special steels arm of Thyssen, is one of the enterprises which has come through the world steel recession relatively well, and has so far escaped the impact of the strike.

It had been thought that lower earnings around Christmas might undermine support for the strike, which was launched mainly to back demands for progressive introduction of a 35-hour week. IG-Metall is estimated to have paid out DM650m in strike pay. But there was no sign yesterday of any weakening of resolve in the union leadership or from the rank and file.

The strike is believed to have cost the employers close to DM500m. There are also fears that a continuation of the strike might mean short-time work in other sectors, such as the vehicle industry, later next month.

The employers were believed to be ready to accept a compromise proposed 10 days ago by a political mediator. It involved additional free shifts and would have meant de facto introduction of a working week of less than 40 hours. But the union rejected the plan.

Despite the strike, the first in the West German steel industry for about 50 years, confidence about the development of the economy next year seems widespread.

Representatives of trade unions, employers, Government and opposition agreed at a round-table meeting on Wednesday that real economic growth next year was likely to be between 3.5 and 4 per cent and that inflation would be about 3 per cent.

Gold reserves remained unchanged in value at SwF 11.9bn, while banknote circulation rose by SwF 1.33bn to SwF 22.88bn.

body believes the U.S. rate will fall to 4.4 per cent in 1983 and only 3.6 per cent by 1990.

Switzerland's foreign currency reserves reached a new record level of SwF 31.92bn (\$9.7bn) in the week ended December 22. The Swiss National Bank registered a sharp increase of SwF 988m for the week, interventions on the foreign exchange market and dollar receipts from the repayment of a further SwF 47.5m worth of U.S. Swiss franc treasury bonds having exceeded obligatory conversions into foreign currency from foreign borrowings.

Three countries are seen as likely to experience a shortage of labour. There will be minus unemployment rates of 1.5 per cent in Sweden, 9.5 per cent in Norway and 11.8 per cent in Luxembourg, according to Prognos, in comparison with the overall in West European unemployment, the Basle

employment is forecast for Italy, with 10.4 per cent, the United Kingdom, with 10.5 per cent, and Spain, with 11 per cent.

Record levels of 15.7 per cent and 18.4 per cent are expected in the Netherlands and Ireland, respectively. Sharp increases in unemployment rates are also anticipated for other European countries, with rates of 6.9 per cent in West Germany, 9.5 per cent in France and 6.8 per cent in Switzerland.

On the European average, says the report, the jobless rate will rise to 7.5 per cent by 1983 and as much as 9.1 per cent in 1990. By then double-figure unemployment is forecast for Italy, with 10.4 per cent, the United Kingdom, with 10.5 per cent, and Spain, with 11 per cent.

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12m jobless forecast for Europe

BY JOHN WICKS

ZURICH — More than 12m people of employable age may be out of work in Europe by 1990, according to a study prepared by the Prognos AG European Centre for Applied Economic Research, of Basle.

In its 1979 Euro-report, the centre foresees a dramatic growth in the number of unemployed unless there are drastic changes in "working hours and work organisation." This would be due to an above-average increase in the working age population, which is not expected to reverse until after 1990.

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Stagehands halt Nureyev show

BY DAVID WHITE

PARIS — The late-night queues at the Paris Opéra in this festive season are of people wanting their money back. Rudolf Nureyev was due to make his first appearance on Wednesday night in the Opéra's current production of Swan Lake. But the performance had to be called off for the fourth time because of a strike by stagehands.

The strike showed no sign of being settled yesterday afternoon and the thousands of refunded tickets were estimated to have cost the Opéra some FF 500,000 (\$59,000).

A more serious conflict was narrowly avoided on Wednesday night after Nureyev proposed that the dancers move their sets. The dispute broke out the week before last when 50 technicians were sacked for hindering rehearsals. Last Thursday one of the television channels suffered convulsions when a live performance from the Opéra of Camille Saint-Saëns' "Samson et Dalila" was interrupted by strike action.

Half-hour delays in theatres throughout France are now being threatened in support of the Opéra strikers.

The Opéra is hoping to clear up the dispute in time to get a costly production of Alban Berg's opera "Lulu" under way in January. As for Tchaikovsky's Swan Lake, it has been put off.

"Nureyev's Swan seems to have fallen in the lake."

● This year's harvest of French wines was 11 per cent up on last year's but was still below what are considered normal levels, according to the Budget Ministry.

The total volume amounted to 58.2m hectolitres, 5.8m hectolitres more than the past harvest.

AP-DJ adds from Paris: French consumption of petroleum products is expected to show an increase of 5.4 per cent to 104m tons over the 98.8m tons consumed in 1977.

Reuter reports: The Economics Ministry announced that the price of petrol at the pump would be increased by between six and seven centimes a litre, according to grade, from January 3. The increases were largely the result of dollar fluctuations, the Ministry said. Further increases would be made in February to take account of the next round of OPEC price rises.

While exports in volume terms increased by 3.5 per cent, the value rose by 10.5 per cent. Consumption spending fell by 1 per cent compared with a rise of 1 per cent last year. Fixed investment rose by 0.5 per cent this year compared with a decline of 3 per cent in 1977, while public sector consumption rose by 3 per cent this year compared with 2.5 per cent in 1977.

Meanwhile, a recent Gallup poll shows that a 49 per cent majority would vote against Danish membership of the EEC if there was a referendum now, while only 39 per cent would vote for membership. The poll showed little change compared with the poll in February this year, when 40 per cent said they would vote against membership and 38 per cent for.

Reuter adds from Moscow: Mr. Valentin Mesyals, the Soviet Agriculture Minister, has told a Press conference that next year's Soviet grain target would be 227m tonnes.

Last year's target was 220m tonnes, but a record 235m tonnes was harvested. This, Mr. Mesyals said, would enable the Soviet Union to build up livestock, with the long-term aim of easing the meat shortage.

The OPEC oil price increase has caused considerable concern among East European countries which fear that the Soviet Union—their main oil supplier—will follow suit.

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Ecevit calls meeting on anti-terror measures

By Our Foreign Staff

MR. BULENT ECEVIT, the Turkish Prime Minister, is to meet the country's top generals and martial law commanders today to discuss measures to be adopted in the fight against terrorism.

Last weekend's death toll of over 100 has brought to nearly 900 the number killed in political violence this year. But in the year that his Government has been in office, Mr. Ecevit has so far been unable either to tackle the economic problems which his Government believes provide the soil for extremism or to ensure that the security services act effectively and even-handedly against the individuals involved.

One month ago his Government warned NATO leaders of the threat to democracy in Turkey and urged them to back his efforts to raise fresh foreign credits. Sources close to him believe that Chancellor Schmidt of West Germany will raise this issue at the forthcoming Gaudeloupe summit.

The OECD's efforts to provide an emergency fund have apparently come up against the problem that members want a lead from the U.S.—and such a lead is, according to State Department officials, dependent on a Congressional vote. Such a vote, Turks fear, could require Turkey to make concessions on Cyprus.

In the meantime Mr. Ecevit faces a rough ride at home. Having just overcome disagreements from his coalition partners over what they consider the high degree of state involvement laid down in the 1979-83 five-year plan, he now faces a vote of censure from the opposition. He is forecast to survive this, even though his own left wing is critical of the increasing trend towards the erosion of the liberties they believe essential. Meanwhile at the meeting today sources close to Mr. Ecevit expect him to tell the generals that he is disturbed at the failure of MIT, Turkey's Central Intelligence Agency, to send the government any reports on the Rahamanmaras massacres until these were over. He is also known to be concerned at the slow way that the police is responding to his efforts to make it a less partisan and more effective force than the one he inherited.

Background to crisis Page 12

Danish GDP up by 1.5%
By Hilary Barnes
COPENHAGEN. Denmark's real Gross Domestic Product increased by 1.3 per cent in 1978, compared with 2 per cent in 1977, according to estimates by the Bureau of Statistics. In value terms the GDP rose by 9.5 per cent in 1977 and 11 per cent this year.

While exports in volume terms increased by 3.5 per cent, the value rose by 10.5 per cent. Consumption spending fell by 1 per cent compared with a rise of 1 per cent last year. Fixed investment rose by 0.5 per cent this year compared with a decline of 3 per cent in 1977, while public sector consumption rose by 3 per cent this year compared with 2.5 per cent in 1977.

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Smith says resigning Minister plans to leave Rhodesia

BY TONY HAWKINS

SALISBURY — Mr. Ian Smith, the Prime Minister, last night accused Mr. Rollo Hayman, the Minister of Internal Affairs, who announced his resignation on Wednesday, of making plans to emigrate from Rhodesia.

Mr. Smith said he had been told that Mr. Hayman was planning to leave Rhodesia and had accordingly informed the former Minister that it would be "right and proper" for him to resign.

"From experience, I have found that in some cases when people have made up their minds to leave Rhodesia they adopt an unbalanced and defeatist attitude," the Prime Minister said. "Therefore it would have been wrong for Mr. Hayman to continue in office. Mr. Smith said he was pleased that Mr. Hayman had accepted his advice and followed the only honourable course."

In his resignation statement, Mr. Hayman made no reference to any plans to leave Rhodesia. He said he was resigning on a matter of major disagreement with the Government and that he planned to fight his Parliamentary seat in a by-election early in the New Year.

Mr. Hayman was also sharply criticised for defeat

Hong Kong prime lending rate raised to 9.5%

HONG KONG — The prime lending rate was raised by 0.75 per cent to 9.5 per cent yesterday, the third rise in just over two months.

A further rise had been expected, however, because of continuing official concern over the weakening of the Hong Kong dollar relative to major trading currencies.

The Hong Kong currency has declined by 12 per cent on a trade-weighted index basis since the beginning of this year, and yesterday continued its decline with the index slipping from 93.9 to 93.1.

In the stock market, too, there was an adverse reaction to the decision by the Exchange Banks Association to raise lending and deposit rates with effect from January 2. The Hang Seng Index in the stock market slipped back 3.6 points to 500.09.

Hong Kong's best lending (prime) rate was last raised on November 7 by 1.5 percentage points after being raised also in late October. Since then the prime has risen by 3.5 percentage points or by more than 50 per cent.

The rate has been raised five times altogether this year, the most recent rises reflecting not only a response to upward adjustment elsewhere but also an awakening official realisation of the need to stem overheating in the stockmarket and property market and inflation. The latest rate rise is seen as a move to cool domestic demand which was a contributory factor to the record trade deficit of HK\$7.82bn reported in the first 11 months of this year.

Hong Kong's new deposit rate will be 7.5 per cent for 12 months deposits, 6 per cent for six months and 5.5 per cent for three months, seven days and call and savings deposits.

Chinese protesters seek Hua meeting

PEKING — A group of young people have come to Peking to report a general strike in South China—an action allowed in the country's constitution but regarded as a startling development by diplomats here.

The group of 28 from Yunnan province unfurled a banner in a square covered by Tien An Men Square on Wednesday, where they said they would stay until a meeting was arranged with the Communist Party Chairman, Hua Guofeng, or vice-chairman Teng Hsiao-ping.

The 28 said they represented 50,000 young people sent to one district of Yunnan province to do farm work after leaving high school. They handed out a leaflet that said a general strike among the 50,000 began at noon on December 9 in Yichang, Yunnan district "to resolutely oppose the local leaders who trampled on the human rights and respect of intellectual youth." The action occurred during a national conference in Peking on the programme of sending educated young people to the country.

The meeting, which began on October 31 and ended on December 10, was told the programme would be phased out.

Meanwhile, a new poster has gone up on Peking's democracy wall, further questioning the rule of the city's former Mayor Wu. Ten in suppressing riots in April 1976, and saying he should be removed from his top party and state posts if he lied to the country's leaders.

John Hoffmann adds from Peking: China has repeated its invitation to the Dalai Lama to return to the Tibet he once ruled. The call was made by Panchen Erdenei Chukel-Gelzen, who was a senior associate of the Dalai in the Tibetan Government. Panchen Erdenei joined the Chinese when Tibet was taken over in 1959. The Dalai Lama fled into India where he has lived in exile, making frequent demands for the restoration of Tibetan independence.

New Zealand Reserve Bank warning of danger to recovery

WELLINGTON — New Zealand can expect a consumer-led recovery in internal economic activity in 1979 as a result of recent government fiscal policies, says the New Zealand Reserve Bank in an end-of-year review.

However, care will be needed to ensure the recovery does not move too rapidly and thus threaten the chance of further reductions in New Zealand's high rate of inflation or adversely affect its balance of payments position.

During the first six months of 1979 export prices should increase at a faster rate than import costs. This should reduce the overseas current account deficit and improve New Zealand's terms of trade, says the review.

The bank warns that beyond June 1979 increased demand for imports as a result of consumer demand is likely to create a deterioration in the balance of payments.

New Zealand's biggest economic problem is the annual bill for invisibles. The current account deficit for the year ended September 1978 was NZ\$505m (£267m). This was NZ\$315m worse than the previous year.

This higher deficit was in spite of an improvement in the trade surplus of NZ\$206m to a surplus of NZ\$461m for the year.

The invisible bill was NZ\$396m.

The New Zealand Government is obviously worried at the rapid increase in the "invisibles" deficit particularly as there are no signs of any improvement.

The improvement in the balance of trade figures in the past year has been mainly due to a fall in imports caused by New Zealand's internal economy suffering a severe recession.

The Reserve Bank says "it is vital that New Zealand further reduce its rate of inflation."

The chances of achieving this will be lessened if the domestic economy develops too rapidly warns the bank.

During 1978 New Zealand made some progress in reducing inflation. The annual rate of increase in the consumer price index for the September half year came down from 17.8 per cent in 1977 to 10.77 per cent in 1978.

The inflation rate at September 1978 was 11.1 per cent—the lowest since June 1974. The main factors in reducing inflation were the relatively low increase in import costs, reduced demand, lack of growth in the economy, monetary and fiscal policies and an extremely slow movement in house property values.

The bank warns, however, that wage and salary increases now being negotiated and the rate of growth in the major monetary aggregates mean the prospect for a further substantial reduction in the inflation rate is not particularly good.

New Zealand's internal retail trade has declined consistently since 1974. This fall seems to have reached bottom at the end of 1977 and early 1978. Some small improvements were recorded in the first half of 1978 and are expected to accelerate over the coming six months. Consumer demand received considerable stimulus from the restructuring of the tax rate, which came into effect in October and from massive payments of back pay to more than 200,000 civil servants.

Easing of hire purchase regulations in the latter half of 1978 stimulated sales of consumer durables, particularly television sets and motor cars.

One of the key indicators in New Zealand's internal economy is house building. In 1978 construction of new homes fell to what the reserve bank calls "historically low levels."

Gold-buying worries for Japan

By Yoko Shikata

TOKYO — Increased purchases of gold by individuals are causing concern to the Japanese Government.

Gold imports for the first 11 months of this year rose sharply to 90,151 kg, double the figure for the corresponding period last year. Imports from Britain increased by 3.7 times to 28,865 kg, making the UK the second largest supplier of gold to Japan after Switzerland which exported 55,503 kg.

The large growth in imports is outrunning domestic demand. Gold sales for industrial use, accessories and dental use, which accounted for 70 per cent of total demand, increased by 30 per cent over the comparable period of 1977.

According to the Ministry of Finance, quarterly gold sales under the category of "others" in the April-June and July-September quarters trebled and most of the increase is believed to have been accounted for by sales to individuals.

Gold hoarding, in addition to the recent surge in stock market and land prices is prompting comparisons with the "crazy inflation" of the early 1970s.

According to the Precious Metal Association, the question of redenomination of the yen which surfaced in the spring added to active gold purchasing by individuals.

The possibility of redenomination has faded with the departure of Mr. Takeo Fukuda, as Prime Minister, since he was well known as an advocate of redenomination. But individuals are believed to be hoarding gold now through fear of another round of inflation.

Strike stops Indian banks

NEW DELHI — Banking operations in India were halted yesterday as over half a million bank workers went on a two-day strike to back their demands for higher pay. The strike hit Government-owned, private and foreign banks.

Agitation by bank employees during the last two weeks has disrupted clearance of cheques in several cities, blocking several million rupees worth of payments.

Reuter

Egypt seeks \$21bn injection

BY ROGER MATTHEWS

CAIRO, Egypt is looking to the industrialised and Arab nations to provide a staggering \$21bn in all forms of assistance and investment during the next five years, it was revealed yesterday.

President Anwar Sadat, in outlining the government's 1979 budget strategy to a closed meeting of the dominant National Democratic Party said on Wednesday he would be seeking the co-operation of the United States, West Germany, Japan and those Arab states that wished to participate in a "massive economic transformation" of the country.

There was little evidence however of the "radical" structural reforms that the President has been promising. He announced that there would be no change in direct subsidies paid to maintain the prices of essential commodities, which it is estimated will cost the exchequer just over £1bn (U.S.\$1.4bn) next year. Ten years ago the subsidy figure was a mere £20m and rose from 3 per cent of the gross domestic product in 1973 to 8 per cent in 1977. At least another £300m is being added to next year's budget for the cost of indirect subsidies.

While Cairo newspapers splashed the subsidies decision—an attempt to tamper with subsidies nearly two years ago led to three days of serious rioting—it was stressed that parallel proposals to increase revenue via price rises for such items as beer, cigarettes, soft drinks, petrol and television sets, would be subject to debate within the National Democratic Party. The implication is that the suggested increases could be modified if there was strong public resistance and it is for this reason that President Sadat is under-

stood to have postponed a visit to upper Egypt.

Prime Minister Mustapha Khalil has added that the overall budget deficit for next year would be £1.7bn, a surprisingly low figure given that the current year's deficit is likely to be at least £2bn. He said that £1.2bn of the 1979 deficit would be financed through "local savings" and the remaining £500m through "other means." These would include postponing "some debts," increasing taxes and curbing expenditure.

But Mr. Khalil warned that the recent decision by petroleum exporting countries to raise prices by a total of 14.5 per cent next year would have an effect on the cost of foodstuffs and he also promised that military expenditure would rise. President Sadat said last week that £1bn had been earmarked for military spending next year.

The Prime Minister also said that 1979 would see a big increase in government investment, rising from £1.5bn this year to £2.5bn in the coming 12 months. There must however be scepticism about the ability of the country to digest such sums, especially as some \$600m of investment funds have not been utilised in the current year.

The predicted size of the budget deficit, and especially the amount that needs to be financed through bank lending, is of paramount importance for the Government as it affects its right to continue drawing from the Special Drawing Rights 600m extended facility that it negotiated with the IMF this summer. As the blessing of the IMF in turn has an effect on would-be investors in Egypt, the final draft of the budget, expected to be known in about three weeks, has some relevance to Mr. Sadat's hoped-for \$21bn.

Tunis bans opposition newspaper

By Tanya Matthews

TUNIS — The Tunisian Government has put a three-month ban on the publication of the opposition paper, *Er-Rai* (Opinion). No official explanation has been given.

But an editorial in the French-language daily, *La Presse*, says that the editor of *Er-Rai* (Mr. Hassib Ben Ammar), a former Minister of Defence, and his team of Social Democrats, believe that the Tunisian leadership is "sick." They also argue, according to *La Presse*, that social degradation in Tunisia is accentuated by economic failure and political oppression.

In its last three issues *Er-Rai* has been asking: "Who is responsible for the events of January 26—the day of the general strike which degenerated into clashes between demonstrators and the army, with an official death toll of 56."

Er-Rai's criticism of the Government coincides with the appeal by the National Assembly of the 1979 budget, which stresses the development of the poorest agricultural areas and efforts to reduce unemployment. Energy, dam construction and the development of small industries have been given special priority.

Mr. Hedi Nouria, the Prime Minister, said the Government's policies were aimed at reducing inequalities in Tunisian society.

Israel delays fuel decision

By L. Daniel

TEL AVIV — Despite the suspension of oil exports from Iran, Israel has not yet decided to put into operation an emergency programme or ask the U.S. to make good on its undertaking to supply Israel with oil if supplies are interrupted by a boycott or for other reasons.

This was stated here by the Israeli Energy Minister, Mr. Yitzhar Modai. He added that in recent months the quantity of oil which arrived in Eilat for pumping through the Eilat-Ashkelon-Haifa pipeline had come to only two-thirds of that previously landed (some of this oil is for Israel, and some for customers abroad, who receive it in tankers which load at Ashkelon, on the Mediterranean). However, the Minister did not rule out the eventual activation of the emergency programme.

Much of Iran's oil exports are normally controlled by a consortium of multinational companies known as the Iranian Oil Participants (IOP). The biggest interest in IOP is held by British Petroleum which has a 40 per cent holding. Next comes Shell which has a 14 per cent interest while Mobil, Gulf, Texaco, Chevron and Exxon all have a 7 per cent interest. The IOP group has a 5 per cent interest and Total has 6 per cent.

BP's 40 per cent share coupled with its one-third dependence on crude intake from Iran means that the UK is likely to feel the impact of the Iranian cutback more than most other West European nations.

The biggest dread of the oil companies is that production in Iran will be shut down altogether for a long period. If this happened, it would take some time to start the oil flowing again—no matter how dramatic an improvement there were in the political situation—for purely technical reasons. And if there were a lengthy halt on exports—for several months or more—the impact in volume terms would start to bite. Japan, for example, could then find its supplies being seriously affected.

The U.S. imports a similar amount of oil from Iran in normal times — about 4 per cent of total consumption — but it seems likely that the U.S. will also be able to adjust her supplies by boosting domestic production and importing from elsewhere.

THE CRISIS IN IRAN

West confident about oil supplies

BY SUE CAMERON

THE MAJORITY of industrialised nations seemed confident yesterday that the Iranian oil strike would not seriously disrupt their supplies of crude.

Iran is the world's fourth largest producer of oil—coming after the U.S. and Saudi Arabia—but it is the second biggest exporter of crude with earnings in the region of \$650m a day. The country usually accounts for nearly 10 per cent of the world's total crude production. But the political turmoil in Iran and the accompanying strikes have sent production of crude down from its normal level of 5.7m barrels a day to less than 500,000 barrels. This is not sufficient to meet Iran's own domestic needs—home consumption is usually some 700,000 barrels a day.

Japan, the U.S. and Western Europe are the chief export markets for Iranian crude but the countries likely to be hardest hit by the oil strike are those which have State-to-State supply deals—countries such as South Africa and Israel.

About 90 per cent of South Africa's oil comes from Iran and the Government there has now appealed for conservation at home while seeking alternative sources of supply abroad. South Africa has been building up reserves in case of sanctions but it seems unlikely she would want to break into these purely to avert what everyone hopes will be a temporary supply crisis.

Israel imports about 50 per cent of her 7m tonnes a year from Iran—until a few years ago the figure was nearer 70 per cent. But 20 per cent of her oil now comes from Mexico those which have state-to-state agreement signed last year. A further 30 per cent of Israeli oil comes from the Alma field in the Gulf of Suez and in the past two weeks production from the Alma oilfield has risen considerably as further developments there have come on stream. The U.S. has promised to help with supplies in the event of a crisis and Israel also has her own reserves of oil. In the short term, therefore, there seem to be few fears.

Among Western industrialised nations there seemed to be a general feeling yesterday that the situation in Iran would have a greater impact on prices than on supplies. One reason for this is that some of the major oil companies have been stockpiling crude during the last three months in response to the expected price increase announced by the Organisation of Petroleum Exporting Countries earlier this month.

Japanese diplomats in London said that they did not expect Japan's industry to be too hard hit by the cutback in Iranian supplies. Japan, which has no oil of her own, imports about 40m tonnes of Iranian oil — 17

The Soviet Communist Party daily *Pravda* has alleged that a U.S. "special group" had been sent to the U.S. Embassy in Tehran to help find ways of keeping the Shah in power. *Pravda* reports from Moscow. *Pravda* commentator Pyotr Yevgenyev quoted reports that personnel sent to reinforce the U.S. Embassy consisted of 60 people, including State Department and Central Intelligence Agency officers.

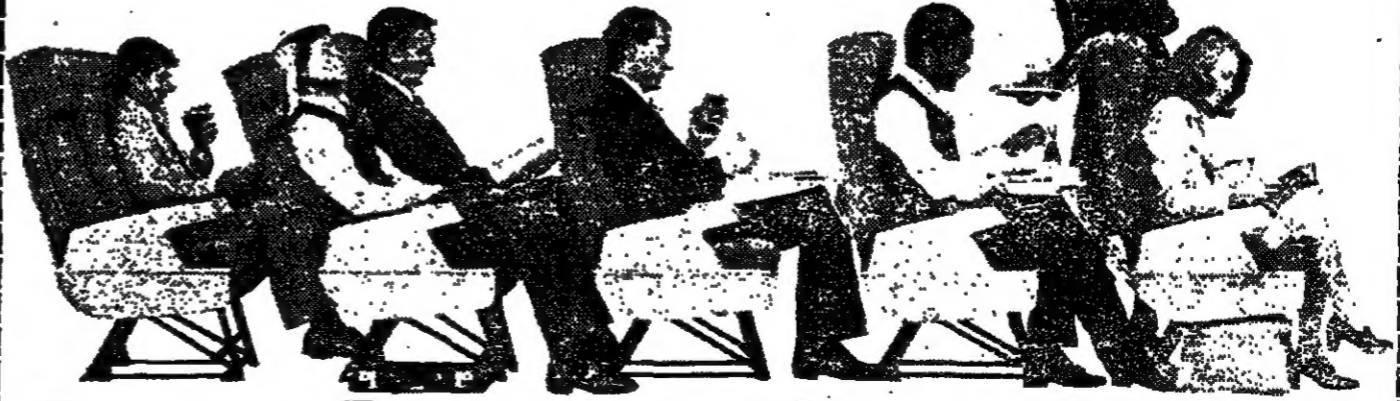
per cent of her total consumption — but it was felt that the country has sufficient supplies to last for the next three or four weeks at least.

The U.S. imports a similar amount of oil from Iran in normal times — about 4 per cent of total consumption — but it seems likely that the U.S. will also be able to adjust her supplies by boosting domestic production and importing from elsewhere.

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AMERICAN NEWS

BALTIMORE CANYON OIL EXPLORATION

Mobil announces seventh dry well

BY DAVID LASCELLES

NEW YORK — Fears that the Baltimore Canyon, the once-promising oil exploration site, 100 miles off the New Jersey coast, may turn out to be a big disappointment were strengthened yesterday when Mobil announced a dry well.

Mobil's failure to find either oil or gas brings the total of dry wells drilled in the area so far to seven.

However, with a further two wells showing traces of hydrocarbons, one of them described as "encouraging," the oil companies are reluctant to write off the site, particularly with further lease auctions due in the New Year.

Mobil's announcement was particularly disappointing since the company had been drilling on the Baltimore Dome, the

largest potential oil-bearing structure in the region. Three other companies, Shell Oil, Conoco and Houston Oil and Minerals, also failed to find hydrocarbons in wells drilled to depths of 17,000 feet and more. Interest has now switched to the three remaining structures in the area, all of which lie close to the edge of the Continental Shelf. The most promising is the northern one where Texaco announced in August that it had found significant reserves of gas.

The company said yesterday that the second well it was drilling in an effort to determine the size of the deposit had been logged to a depth of 17,000 feet, suggesting that a further announcement could come in a few weeks.

Prospects there are mixed since Exxon's well slightly to the south turned out to be dry, and the results of its second well there will not be known for some time.

Also promising is the structure due south of this one where Gulf found traces of hydrocarbons last month. Both Exxon and Houston Oil and Minerals are still drilling here.

The fourth, and most southerly, structure, which is being explored mainly by Shell, so far has turned up nothing.

However, the oil companies are saying little about their findings in the Baltimore Canyon, presumably since much of their drilling is aimed at discovering more about the area's geological structure. This will provide

valuable information for the next round of lease auctions due in February.

The size of the bids should give a good clue to the level of the oil companies' enthusiasm, which is hard to assess. The most any of them will say just now is that the disappointments so far are insufficient reason to dismiss the whole region.

In terms of the whole U.S. oil and gas exploration effort, the Baltimore Canyon occupies a prominent position, but this is due more to the fact that it lies unusually close to large population and consumption centres. Even if the most optimistic forecasts materialise, the canyon would increase U.S. gas reserves by only 5 per cent and oil reserves by 3 per cent.

Iberia joins growing list of Airbus customers

By David White

PARIS — Iberia, the Spanish national airline, yesterday placed a firm order for four aircraft from the European Airbus Consortium, bringing the list of customers for the wide-bodied A300 to 20.

The A300B4 aircraft are due for delivery in February and March, 1981, and the airline has options on four more for delivery a year later.

The order follows a deal for two A300B4s and the same number of options from Philippine Airlines. Negotiations for the Philippines contract, worth \$89m, including spare parts, were concluded a week ago. The value of the Iberia deal was not disclosed.

Iberia is also one of the five airlines which have already made commitments to buy the next generation of airbuses, the smaller 200-seat A310, due to be on sale in four years' time.

The others are Lufthansa, Air France, Swissair and Eastern Airlines. In addition to these, which account for over 60 aircraft, Alitalia has also hinted it may buy the new airbus rather than the rival Boeing 767.

The latest deals top up Airbus Industrie's order book for the A300 to 123 firm sales and 53 options. This year has brought the joint venture nine new clients, 70 firm sales and 12 options.

Arab meeting finalises oil price formula

By Leslie Mitchell

KUWAIT — Oil ministry officials from Kuwait, Saudi Arabia and Iran have met here to finalise details of last week's decision by OPEC to widen the price spreads between light and heavier crudes to make heavier crudes more attractive to refiners.

Sheikh Ali Jaber al-Ali al-Sabah, head of Kuwait's crude oil marketing committee, said that OPEC oil ministers had decided at Abu Dhabi to deduct 5 U.S. cents a barrel from the present official prices of Saudi Arabian medium crude, Kuwait 31 API and Iranian heavy, and then apply the phased 14.5 per cent increase for next year. It was also decided, he said, to deduct 10 cents a barrel from the light crudes with an API of less than 30 before applying the percentage increases.

The meetings here were merely to work out the "nitty gritty" of the formula, a participant said. Iraq opted not to attend.

The decisions mean that as of January 1, when the first 5 per cent increase is applied, Kuwait 31 API will cost \$12.83 a barrel as opposed to its present price of \$12.77. Iranian heavy will be \$13.063 a barrel from January 1 as opposed to its present price \$12.990 and Arabian medium, which now costs \$12.3225 a barrel will cost \$12.89. Saudi Arabian heavy now priced at \$12.0156, will be \$12.51.

Polish warning on effect of OPEC decision

By Christopher Sobinski

WARSAW — A senior Polish Government official has warned that Poland will have to economise on oil, coal and power consumption following the recently announced OPEC oil price increases scheduled for next year.

Mr. Henryk Pruchniewicz, the first deputy chemical industry minister said in a newspaper interview that Polish exports would have to go up next year and that Polish cargoes would have to be carried by the Polish merchant fleet as a result of the OPEC move.

According to Mr. Pruchniewicz, Poland will be importing 20 per cent of its oil from the OPEC countries in 1979 and the price increase will add around \$33m to Poland's current oil bill. The remaining 80 per cent of Poland's oil would come from the Soviet Union.

The interview makes clear that the authorities are expecting a 10 per cent increase in the price of the oil-based products that Poland imports. If this were the case the Minister says another \$120-150m would have to be spent on imports next year.

This figure comes after foreign trade plan which forecasts a cut in Poland's hard currency trade deficit from this year's estimated \$1.1bn to a deficit of \$500-700m in 1979.

The OPEC decision, the Minister says, "will undoubtedly deepen the trend towards recession in the West" and thus probably bring with it more protectionist barriers which will hit Polish and other Socialist countries' exports to the West.

A Polish-Japanese consortium will sign a \$80m (\$10m) contract early next year to build two integrated chemical fertiliser manufacturing plants in the eastern Algeria, industry sources said in Tokyo.

The Japanese partners Hitachi Shipbuilding and Engineering Company and Marubeni Corporation said they were continuing negotiations with Sonatrach, but declined further comments.

EEC Commission promises tighter textile procedures

BY RHYS DAVID

THE EEC Commission has promised Britain that much tighter procedures will be introduced to ensure that limits on textile imports from the Mediterranean and other countries are observed, Mr. John Smith, the Trade Secretary, announced yesterday.

The assurance follows Britain's agreement before Christmas to lift the reserve it had placed on deals which the Commission has been negotiating with eight countries covering textile imports next year.

Some increases in the global ceilings affecting the eight most sensitive textile products is being conceded by Britain but in return the Commission has said it will strengthen the mechanism for ensuring that limits are observed in three main ways, Mr. Smith pointed out in a letter sent to the British Textile Confederation and the TUC.

In this way it is hoped that the problem which has arisen in the past year—failure by some

of the EEC associates to observe limits placed on them and the reluctance of the EEC authorities to take action to check the flow from these countries—can be avoided.

The first new measure is a so-called "warning" bell mechanism so that when the restraint level agreed between the EEC and the supplying country is 75 per cent used up consultations will be set in hand. This according to Mr. Smith will enable action to be taken in "good time," before rather than after, individual limits have been breached.

Secondly, the Commission has agreed to engage safeguard procedures promptly if agreed limits are not respected or if consultations do not achieve satisfactory results.

Thirdly, Mr. Smith points out where it is not possible to reach a negotiated solution the EEC will notify the supplying country unilaterally of the limits to be imposed on it. British acceptance of the EEC

assurance has paved the way for the remaining negotiations with five EEC associates, including Portugal, the most important supplier, to go ahead. Britain has also now ratified agreements already negotiated by the Commission with Greece, Spain and Morocco.

The assurances have been given only a guarded welcome, however, by the British Textile Confederation. Director Mr. Ian MacArthur yesterday praised the firm stand taken by Mr. Smith but expressed concern at the further erosion of the global ceilings on textile imports into the Community which will now occur.

The undertakings, which the U.K. has obtained regarding the enforcement of agreements should certainly be a market improvement over the previous arrangements. Their effectiveness, however, depends entirely on the willingness of the Commission and of the member states to carry them through and to do so promptly, he said.

Indian foreign investment code

BY K. K. SHARMA

NEW DELHI — The Indian Government has issued a list of industries in which foreign investment and collaboration is not considered necessary, but added that a considerable degree of flexibility would be exercised when dealing with foreign investment proposals of this kind.

This was explained on the basis that, although India has developed a broad technology base, there is a constant need to update production technology along the lines of the advanced countries. Hence all Ministries of the Government have been allowed to consider the import of technology.

This is a considerable liberalisation of policy and will be permitted under conditions not available for use by new entrepreneurs on competitive terms or if the foreign technology is needed to make domestic industry efficient or competitive in the export market.

It will also be allowed if the import of technology is for manufacture of items with substantial exports backed by buy-back guarantees.

Administrative Ministries are also being delegated powers to approve foreign collaboration proposals provided there is no foreign equity participation

involved, if the item to be manufactured is consistent with the Government's industrial policy and if the foreign exchange outflow on account of royalty and other charges is less than \$500,000 (\$30,000).

The "illustrative list" of industries in which foreign investment or collaboration is under 22 headings and consists of units in which the country is largely self-sufficient.

These are metallurgical industries, electrical equipment, electronic components and equipment, scientific and industrial

instruments, transportation, industrial machinery of some kinds, machine tools, agricultural machinery and miscellaneous mechanical engineering industries.

Also included was commercial and office equipment, medical and scientific appliances, chemical and scientific instruments, drugs and pharmaceuticals of various kinds, paper and pulp, consumer goods, vegetable oils, rubber, leather and leather goods, glass and ceramics, and cement and gypsum products.

Pakistan-Kuwait project

BY CHRIS SHERWELL

ISLAMABAD — The Pakistan Government has signed its third agreement with an Arab country for the establishment of an investment company as a joint venture. In a deal with Kuwait, the two countries will set up the Pakistan-Kuwait Investment Company, with an authorised share capital of \$25m.

The agreement follows a similar deal recently with Libya and Saudi Arabia for the establishment of larger \$100m joint venture companies.

As with these, Kuwait as the foreign country, will supply half the share capital in the form of

foreign exchange—in this case dollars—and Pakistan will furnish the rest in rupees.

The Pakistan government says the company has been established to give assistance to industrial enterprises in the country through the provision of long, medium and short-term finance and managerial and technical advice.

Half of the six-member board will be appointed by the Pakistan Government, while the remainder will be appointed by the Kuwait foreign trading, contracting and investment company.

Chemical plant contracts concluded with China

FRANKFURT—Lurgi Gesell-

schaften said its subsidiary Lurgi Kohnle and Mineraloel-technik had received orders from China for an ammonia plant and a methanol plant.

Informed sources said the value of the combined orders was about DM5500m (£144m) and added the plants were due for start-up around 1982. No confirmation was immediately available from the company.

Lurgi said the ammonia plant would have a daily production capacity of 1,000 tonnes while the methanol plant will have a daily capacity of 300 tonnes.

Meanwhile a consortium of four Japanese companies has won a ¥40bn order to build four petro-chemical plants in China, a consortium member Mitsui Petro-chemical Industries said. The order, due for completion by 1985, was placed by the China National Technical

Import Corporation.

The other participants in the consortium are Mitsui Engineering and Shipbuilding, C. Itoh and Kasho Corporation. The plants are to be built at the Shanghai petrochemical complex and the Fangshan petrochemical complex near Peking.

In another deal, Pullman Incorporated said its Pullman Kellogg division had received a multi-million dollar contract to help build a petrochemical facility in China. While Pullman would not specify the contract's amount, it said it would bring "tens of millions of dollars" of export trade to the U.S.

Pullman said the facility will consist of processing plants to produce meta-cresol, a chemical used to make pesticides—butoxy hydroxy toluene, a stabiliser used in plastics manufacture, and acetone, an industrial solvent.

Agencies

Swiss see plastics recovery

By John Wick

ZURICH — Swiss exports of unprocessed plastics rose by some 17 per cent during 1978, according to a study published by the Union Bank of Switzerland, after a 4 per cent rise in production volume.

Earnings were unsatisfactory on both home and foreign markets, however, due to falling price levels. Due to large overcapacities in Western Europe and a sharp rise in supplies from Eastern Europe, prices were under pressure for the bulk plastics (polyethylene, PVC, polystyrene and polypropylene) which account for 70 per cent of the market.

For 1979 the bank forecasts a slight rise in output but an improvement in turnover due to a certain recovery of prices.

Increased competition and insufficient profits resulted from substantial over-capacity in the field of processed plastics.

Hoechst-Brazil venture

BY ADRIAN DICKS

BONN — Hoechst, the West German chemical group, has announced a joint venture project in Brazil for construction of a 60,000 tonne a year low pressure polyethylene plant.

The plant is to be built as part of Brazil's third petrochemical pool at Porto Alegre, in the state of Rio Grande do Sul. Hoechst is to have a 40 per cent stake in the venture (for which no price has been revealed), with Refinaria de Petroleo Ipiranga taking a further 40 per cent and Petroquisa-Petrobras Quimica taking the remaining 20 per cent.

In addition Hoechst, the

world's biggest producer of low pressure polyethylene, will supply the technology and design for the new plant which is expected to come on stream in the second half of 1980.

Hoechst or its subsidiaries currently produce low pressure polyethylene in West Germany, Australia, India, South Africa and Spain. A sixth plant is shortly to open in the U.S.

It has also been announced that Hoechst-Tecna, a subsidiary of the Hoechst-Estel Dutch-West German steel group, has announced that it is to supply and build a turn-key factory for production of prefabricated building parts to Egypt.

19% rise in Irish exports

BY OUR OWN CORRESPONDENT

DUBLIN — Exports from the Irish Republic rose by 19 per cent in value in 1978, surpassing the growth rate of the eight other countries in the EEC.

The Irish Export Board's trade review, to be published today, says that total exports grew by about £460m to £3bn. The volume growth is expected to exceed 11 per cent.

The largest contribution to overall expansion came from manufactured goods which increased by £247m to £1,633m. Food, drink and tobacco are estimated to have advanced by 21 per cent to £1bn, while

exports of live animals increased by 24 per cent to £190m.

The review says that despite the good export performance the growth rate still fell short of what was needed to meet the country's job creation requirements.

The Export Board says that the country's dependence on the UK as its largest export market has steadily lessened and last year 47 per cent of total exports went to Britain—almost the same as in 1977. For the first time over 30 per cent of total exports went to the other EEC countries.

Boost for Carter's China policy

WASHINGTON — A key U.S. Congressional leader says Congress is powerless to block President Jimmy Carter's new China policy and that critics should concentrate on doing the best they can for Taiwan under the circumstances.

Mr. Clement J. Zablocki (Democrat, Wisconsin), Chairman of the House of Representatives International Relations Committee said, "We're going to see what we can do to salvage what the President has done. I think there are a few in Congress who are going to be hellbent against it, but I'm not in that group."

Mr. Zablocki's decision not to try to reverse Mr. Carter's decision came after an announcement by Democratic Senator Frank Church of Idaho supporting the President's action.

Because Senator Church is the incoming Chairman of the Foreign Relations Committee, his stance, and that of Mr. Zablocki, seems to indicate the administration's China policy would have little difficulty surviving challenges by its committees.

Mr. Zablocki said his staff has already found that Congress might have to revise the basic foreign military sales act if it wants to continue the flow of U.S. arms to Taiwan.

He noted that the law limits such overseas arms sales to Governments, and that President Carter's new policy does not recognise Taipei as the Government of the Chinese people.

The move to switch formal recognition from Taiwan to the People's Republic brought an outcry from conservatives. Late last week Senator Barry Goldwater, an Arizona Republican, filed a suit here in an effort to nullify the President's companion decision to terminate the nearly 25-year-old U.S. defence treaty with Taiwan, unless Congress concurs.

Meanwhile Taiwan has reportedly sold a building in New York City because it fears that the building will become the property of the People's Republic when the U.S. officially recognises Peking on January 1. The Daily News reported that the building, which houses the Chinese Information Service, has been sold to a private individual for about \$300,000. AP

Vatican envoy flies to Chile

BUENOS AIRES — Antonio Cardinal Samore, the Vatican envoy, flew to Santiago, Chile, yesterday, to continue efforts to prevent war between Argentina and Chile over territorial rights at the tip of South America.

Cardinal Samore met Sr. Jorge Videla, Argentina's President, for long work sessions on Wednesday. Sr. Carlos W. Pastor, the Foreign Minister, also attended. The Cardinal also met the three members of the military junta.

MAPCO: 15th DIVIDEND INCREASE IN 13 YEARS

MAPCO announces yet another dividend increase for the third quarter of 1978. MAPCO dividends have risen steadily from an annualized figure of 10c back in 1965 to the present \$1.30. "This latest increase, the 15th since 1965," says Robert E. Thomas, Chairman of the Board, "demonstrates once again our confidence in the continued growth in MAPCO's operations, earnings and cash flow."

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Cleveland Mayor rescinds decision to lay off workers

BY DAVID BUCHAN

WASHINGTON — The weeks-long financial crisis facing Cleveland, the largest city in Ohio, appeared yesterday to have receded, after Mr. Dennis Kucinich, the city's Mayor, rescinded his decision to lay off some 1,600 city workers next month, and postponed the redundancies of 400 others.

This followed an announcement by Cleveland's largest bank, the Cleveland Trust Company, which holds \$5m of the \$15.5m loans on whose repayment the city defaulted at the

end of November, that it would not take court action to collect its money until after February 27.

This is the date for the voters in Ohio's largest city to decide whether or not to approve a 30 per cent increase in the city's payroll tax, and the sale of the municipal power company. The agreement to put these two proposals to the ballot, reached last week, marked at least a temporary respite in the bitter quarrel between the 32-year-old Mr. Kucinich and the leader of

the City Council, a dispute that has made a major contribution to the city's political and financial crisis.

City officials hope other banks will follow the lead of Cleveland Trust. Before the Mayor's decision to rescind most of the layoffs, which he had earlier warned were inevitable, both the police and firemen's unions had threatened they would go to court to block the redundancies, while the firemen also looked likely to go on strike in protest.

Businessmen face fraud charges

BY DAVID LASCELLES

NEW YORK — Three U.S. businessmen, one a former treasurer of a leading copper company, have been accused by the U.S. Attorney's office of conspiring to obtain multimillion-dollar loans for their businesses by fraudulent means from a number of banks, one of them in London.

The three men are Mr. Charles Kraft, former treasurer of Anaconda, Mr. Nicolas Reisin, president of Robin International, an international business promotion organisation, and Mr. James Fallon, president of General Acquisitions Corporation, a real estate

and construction promotion organisation. The U.S. Attorney's office said Mr. Kraft had pleaded guilty to three counts of conspiracy and fraud. The other two defendants, against whom eight charges, including conspiracy and fraud, have been filed, are to be arraigned next week.

The Attorney's office's indictment charges that the three men allegedly claimed that Anaconda had a business relationship with ventures they were promoting, in order to obtain bank loans totalling \$34m. Mr. Kraft, it is alleged, told lending banks that Anaconda

would guarantee the loans. Among the lending banks named are Singer and Friedlander, Bank of New York, Bankers Trust, Banque de Paris et des Pays-Bas, Belgium, Marine Midland, and Wells Fargo.

The indictment says that \$19m of the loans were in default. A spokesman at Singer and Friedlander in London said yesterday that his bank had arranged a \$40m short-term facility for Anaconda in 1971, but this had been fully repaid, and there were no outstanding liabilities.

U.S. close to Somoza aid cut-off

BY DAVID BUCHAN

WASHINGTON — The cutting off of all U.S. economic aid and the withdrawal of U.S. military advisers from Nicaragua is "a distinct possibility," State Department officials said yesterday, after President Anastasio Somoza's refusal to agree to an internationally administered plebiscite on his future rule in Nicaragua.

U.S. officials are not yet ready to pronounce completely dead the mediation effort in the Nicaraguan conflict, which the U.S., Guatemala and the

Dominican Republic have undertaken on behalf of the Organisation of American States. The Nicaraguan opposition parties have accepted the idea of a plebiscite on condition that it is supervised by outside observers.

The three-nation mediation team is due to report to the OAS secretariat in Washington, probably next week.

A senior State Department official said on Wednesday that President Somoza's insistence that any plebiscite should be administered by Nicaraguan

officials could affect "the whole gamut of relations with the U.S."

Officials in Washington doubt whether additional U.S. pressure will cause the Nicaraguan President to relent, but are nonetheless contemplating cutting off the remaining \$23m of economic aid that is in the pipeline for Nicaragua.

President Somoza threatened on Wednesday that he might invade Costa Rica to attack anti-Somoza guerrillas there. State Department officials believe the threat might be bluff.

Last minute bid to save El Salvador hostages

BY HUGH O'SHAUGHNESSY

STRENUOUS efforts are being made behind the scenes to ward off the threatened killing tomorrow of the two British bankers being held by the Armed Forces of National Resistance (FARN) guerrilla group in the small Central American republic of El Salvador.

Mr. Ian Massie, 46, and Mr. Michael Chatterton, 45, who headed the Bank of London and South America in El Salvador, were abducted by the FARN on November 30 and have been held since.

The guerrillas' terms for their release include the payment of a heavy ransom, the publication of a FARN manifesto in the local press and the release by General Romero's Government of five political prisoners.

So far, considerable negotiations with the FARN has not broken the deadlock. While Lloyds Bank, the parent of the Bank of London and South America, has signified its willingness to negotiate and therefore presumably to pay ransom, the Romero Government has claimed that it has no political prisoners and has pointed to a law which forbids the publication of guerrilla manifestos in the local newspapers.

The British Government, which the FARN has been urging to intervene in the affair, has said it does not negotiate with those holding hostages and has rejected the FARN demands. The guerrillas have now said that they will kill the two British bankers at 1800 GMT tomorrow if their conditions are not fulfilled.

A left wing group which is being hunted intensively by the Romero forces, stand to lose money, prestige and possibly their lives if the kidnapping does not produce results.

The guerrillas have another two hostages, Mr. Takakazu Suzuki, the financial director of INSINCA, an artificial fibre plant in El Salvador, belonging to the Japanese Torii company.

It also has a number of domestic embassies to deal with, such as the predicament of Major Carlos Solorzano of army intelligence, who is charged with leading an ambush on a messenger carrying \$60,000 in wages.

General Romero has rejected pleas by Mr. Yuichi Hayashi, the Japanese ambassador, that INSINCA be allowed to do its own deal with the FARN.

One possible solution now being canvassed is that the Romero Government and the FARN be persuaded to release their "political prisoners" simultaneously as a gesture of New Year good will.

The FARN might think that its image would be enhanced by the action, and it would remove the logistic problem of hiding the businessmen.

The Romero Government might think that it was worth putting an end to a situation which is scaring off the foreign investment the General wants. INSINCA has already sent 25 members of its employees' families out of El Salvador, some back to Japan.



Some of the hostages are being held by the FARN, a left wing group which is being hunted intensively by the Romero forces, stand to lose money, prestige and possibly their lives if the kidnapping does not produce results.

General Romero has rejected pleas by Mr. Yuichi Hayashi, the Japanese ambassador, that INSINCA be allowed to do its own deal with the FARN. One possible solution now being canvassed is that the Romero Government and the FARN be persuaded to release their "political prisoners" simultaneously as a gesture of New Year good will.

هكزامن الاصل

EEC to monitor cheap ship rates

By Linton McLean

BRITAIN and other EEC countries are to monitor freight services on liner shipping between Community members and East Africa and Central America from January 1 in an attempt to quantify the Soviet presence in these liner trades.

The plan was agreed at the EEC Council of Transport Ministers meeting in Brussels last month.

Mr. Stanley Clinton-Davis, UK Under-Secretary of State for Trade, said after the meeting that there was overwhelming evidence that EEC shipping companies were suffering through Soviet competition in shipping.

Rates on the East Africa and Central American conference shipping lines were 10-15 per cent higher than those offered by Soviet flag vessels, according to Whitehall sources.

However, the General Council of British Shipping and the British Shippers' Council said that the undercutting by Soviet vessels operating on the conference lines was up to 30 per cent below established shipping conference line rates.

The EEC Transport Ministers refused to sanction counter-measures against the Soviet fleet. No action beyond the monitoring scheme is expected for at least six months when cargo data will be evaluated by EEC officials.

Mr. Igor Averin, head of the foreign relations department at the Soviet Merchant Marine Ministry, said before last month's EEC meeting that discriminatory measures against Soviet shipping would not be left without a reply.

French join in Channel safety plan

AN ANGLA-FRENCH plan to improve the safety of navigation in the English Channel came into effect on January 1.

The masters of certain categories of vessel most likely to be potential sources of pollution or a navigation hazard will be invited to report to shore stations as soon as they enter the shipping separation zones set up in the Channel six years ago to reduce the danger of collisions.

The scheme is voluntary and will operate for six months. All loaded oil tankers and gas and chemical carriers over 1,600 tons registered in the Channel will be invited to participate in the reporting scheme.

The scheme is the result of discussions between members of the Anglo-French Safety of Navigation Group which met in September.

It has been responsible for recommending other improvements to Channel safety. In August 1978, new radars came into use at St. Margaret's Bay and at Dungeness. In June last year, a joint contingency plan, the Manoeuvring plan, was launched to deal with maritime disasters in the English Channel and the Dover Strait.

Britain may top U.S. tourist league

By Arthur Sandles

SO MANY Britons have been to the U.S. for their holidays in the past year that the UK may have overhauled Japan as America's prime source of overseas tourists.

In the summer peak period, three Britons for every two Japanese tourists were there, and by this year's end, more than 700,000 UK residents will have made the journey.

Tumbling air fares and a weak dollar have proved so tempting to the British that the mid-summer rise in traffic was nearly 42 per cent by the year end and the Americans expect a 33 per cent total rise.

Japanese traffic to the U.S. tends to be less seasonal than that from the UK, so that at the end of the year the Japanese, who last year accounted for 750,000 visitors to America, might end up ahead by a nose.

But, as one American tourist official said last night, "We definitely have a horse race."

The boom in traffic from Europe generally—between 20 and 30 per cent from most countries—has so swamped U.S. immigration officials that collection of figures is slipping further and further behind schedule.

The American immigration department has yet to work out how many foreigners entered the U.S. in August; there were too many to count in a country that has never regarded itself

as a tourist destination.

A big political row is brewing within the U.S. since President Carter plans to disband the \$15m-a-year U.S. Travel Service, which markets America overseas, as part of overall reductions in Government spending.

As for the present boom, the service said yesterday that until fairly recently, although most Britons dreamed of going to the West of America, they usually stayed on the East Coast because of the costs of going further.

"That is not true any longer. Lower fares and more direct routes mean that, more and more, the British are heading for California and the West in general."

Airline traffic to the U.S. has been remarkable and that bookings for the coming season are impressive.

TWA's package tour programme, Gateway America, showed a 140 per cent increase in bookings during 1978, reflecting an enthusiasm for U.S. holidays that British Airways confirms.

TWA says: "Now everyone wants to go to the West."

The travel service says that its research indicates that low fares, rather than a cheaper

dollar, have produced the rush.

"The increase has been from Europe. In mid-summer Japanese traffic showed a decline, and yet it is against the yen that the dollar has been weakest. But the Pacific is still a dearer ocean per mile to cross than the Atlantic."

Michael Dome, Aerospace Correspondent, writes: More European airlines hope to be able to introduce cheap fares to Australia on the lines of those becoming effective on February 1 between the UK and Australia.

Airlines negotiating with Qantas, the Australian airline, and the Australian Government include Lufthansa of West Germany, KLM of Holland, Alitalia of Italy and Yugoslavian Airlines.

Alitalia hopes to complete an agreement during the first week in January for cheap off-season fares between Rome and Sydney. Yugoslavia is to hold talks with Australia in the New Year on cheap fares from Belgrade.

The new British Airways-Qantas rates between London and Australia range from £334 return in off-peak periods to £588 in peak months.

They have attracted substantial business, with many flights in February full and those in March filling up.

West Coast

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Chemical companies in farm sprays row

By Christopher Parkes

TWO OF THE biggest chemical companies operating in the British market are involved in a complex wrangle over patent rights on agricultural sprays and fungicides.

They are the German-based BASF (UK) and Dupont of the U.S.

Cropscare, a Wiltshire company, is also involved in a battle with BASF, although the German company has recently made its peace with Fisons, another competitor in the £150m-a-year UK farm chemicals trade.

The trouble started when BASF published a statement claiming that its German parent company held patent rights on mixtures of chemicals. To support its claims, it cited the 1977 Patents Act which came into force in June this year.

Farmers have long been accustomed to mixing many chemicals together to make fungicides, weed-killing and nutrient cocktails for their crops, the object being to make as many applications as possible with one run. Companies are plainly powerless to prevent this.

BASF said the arguments were unlikely to lead to court action. "We are not attacking anyone. But if our patents are attacked we have an interest to defend them."

The patent covers a mixture for protecting wheat from fungus and stiffening the straw. BASF is claiming alleged infringement by Dupont. It is also alleging breach of patent by Cropcare over a spray for sugar beet.

In the past it was not considered a breach of patent rights if a company recommended mixing chemicals to produce the effect of another company's patented blend. Now BASF says that such recommendations constitute "contributory infringement" under the Patents Act.

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Sir Geoffrey Howe promises prosperity under the Tories

By Richard Evans, Lobby Editor

NEXT YEAR must be the year in which it once again becomes worthwhile for Britain to work.

Sir Geoffrey Howe, Shadow Chancellor of the Exchequer, declared in a New Year message that will underline the significance 1979 is certain to have for the major political parties.

According to Sir Geoffrey, it will be the year in which the British people will decide to recover their self-respect and when a fresh Conservative Government will be given authority to set the country on the road to economic recovery.

The aim of a Tory Government would be the curbing of State spending and borrowing, cutting personal taxation and slashing red tape. It wanted to make "Britain a country in which it pays to be enterprising, to acquire a new skill, to start a new business."

In a catalogue of the less acceptable facts of 1978, Sir Geoffrey described it as the year of the bloody-minded, when the average citizen found it more and more difficult to count on anything from regular news-

paper deliveries and radio and TV programmes, to bread and petrol supplies.

It was the year in which Britain's manufacturers produced less than in 1973. Germany produced three times as many cars as Britain and Britain exported fewer cars than in 1982.

"More than £4bn net benefit from North Sea oil and gas still left Britain with a deficit on its balance of payments, and well over 1m unemployed."

Mr. Michael Heseltine, Shadow Environment Secretary, said in a separate statement that the long-suffering British ratepayers should not have to pay for an expensive reform of local government proposed by Labour merely for political purposes.

In his view, local government needed a period of stability in which to run its services properly. Yet Mr. Peter Shore, the Environment Secretary, had succeeded in casting a blight over it by conducting a divisive party motivated dialogue designed to harvest the maximum of votes for the minimum action.

Christmas viewers switch to ITV

By Lisa Wood

TELEVISION viewers made a big Christmas switch from BBC television to independent television, says a market research survey published yesterday.

Thames Television, which commissioned a London area Christmas survey from AGB said: "ITV had its highest-ever Christmas night audience."

Preliminary figures show that the biggest changeover was during the peak viewing hours of Christmas night.

Thames said: "Up to four times as many families watched ITV in preference to the BBC. This more than reversed the situation at Christmas 1977."

Programmes Morecambe and Wise's first Christmas show on commercial television spearheaded the switch. Thames' figures show that 41 families out of every 100 in the London area watched Morecambe and Wise, 11 families watched BBC programmes and the remaining 48 families were either not at home or not watching television.

"Many people spent Christmas Day visiting friends and relatives. Past surveys by Thames suggested that 28 per cent of families spent Christmas with relatives and this survey estimated a further 17 per cent were away from home," Thames said. "Therefore, three out of every four families at home were watching Morecambe and Wise."

Programme makers at Thames were said to be "jubilant" at ITV's claims. All ratings figures are preliminary estimates and the final AGB/Jicar ratings will be published in about 10 days.

Callaghan will visit Barbados

THE Prime Minister will visit Barbados on January 8 after meeting other Western leaders in Guadeloupe on January 5 and 6.

Mr. Callaghan will discuss trade and other subjects with Mr. Tom Adams, Prime Minister of Barbados, before returning to London on January 9.

The Guadeloupe meeting, being held at the invitation of President Giscard d'Estaing, will take the form of personal and informal conversations. President Carter and Chancellor Schmidt are also attending.

Stafford pit plan protest

ABOUT 1,000 objections have been received by the National Coal Board to a proposed £130m super pit near Stafford.

The NCB has now decided to stage an exhibition in the town in an attempt to reassure residents.

Cab drivers oppose fares plan

By Linton McLean

LONDON taxi drivers are expected to reject the recommendations of a Home Office committee which has been investigating the case for higher taxi fares.

The Licensed Taxi Drivers Association applied to the Home Office in July last year for a 25 per cent rise in London cab fares.

The Home Office agreed to an interim rise of 10 per cent last December, but it is now understood to have completed its investigations. Permission for a further rise—which may be

around 15 per cent—is expected to be granted in the New Year.

This would fall short of the estimated 25 per cent rise the association believes is necessary to meet the shortfall outstanding from the summer of 1977 and the rise in the cost of living in the 12 months since the last increase.

Mr. Arnold Sandler, chairman of the association, said he had not been told of the level of the proposed increase, but less than 25 to 30 per cent would be "totally unacceptable."

Taxi drivers could not accept

a rise of 15 per cent, as it would be another year to 18 months before a further application for a fare increase was likely.

He said they had been forced to work 65-hour weeks to avoid making a loss, he said. Many drivers were breaking the law by refusing uneconomic journeys.

Refusal to accept the recommended level of increases could lead to a confrontation with the Home Office, Mr. Sandler said. A campaign may be started to remove control of taxis from the Home Office.

£30m micro-chip plant planned

By John Lloyd

MOSTEK, one of the leading U.S. semiconductor companies, said last night that it would shortly announce the establishment of a plant to manufacture microchips in either the Irish Republic or Scotland, representing an investment which might be as high as £30m.

Mr. L. J. Sevin, the company's president, said a number of European countries had been considered by Mostek for the plant, which will produce chips mainly for the European market.

He confirmed that the choice now lay between Eire and Scotland, in part because "they appear to speak something approaching English in both places."

Mostek executives are still discussing details of aid

schemes with both the Irish Industrial Development Authority and the Scottish Development Authority, which are competing hard for the project.

Once the Mostek plant reaches full production—which might take two to three years—there are expected to be jobs for up to 2,000 people.

Two U.S. companies already have chip manufacturing plants in Scotland—Motorola in East Kilbride and General Instruments in Glenrothes.

Parsons lands £7.5m Irish generator order

THE C. A. Parsons division of Northern Engineering Industries has won a £7.5m order to supply two 44.5-MW turbine generators to the Electricity Supply Board of Ireland. That brings the value of turbine generator orders received by

Parsons this month to about £20m.

The generators will be installed at two separate power stations, Shannonbridge and Lanesborough, which are already equipped with Parsons plant.

National Theatre hopes for extra grant

By Antony Thornecroft

THE BOARD of the National Theatre is hoping for a special maintenance grant similar to the upkeep money which supports national museums and art galleries. If a grant—possibly from the Department of the Environment—is approved, money from the Arts Council could be devoted to new productions.

Lord Rayne, the Board's chairman, wrote to Mr. Hesley, the Chancellor, in October, asking for the theatre's financial future to be put on a secure footing, and the Board is now hoping for good news in the next few weeks.

The National's £12m annual maintenance costs have to be met before any play is staged and take an excessive amount of the Arts Council subsidy.

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The Mid Kent Water Company

"Satisfactory results for the year"

reports Mr. A. W. White, the Chairman.

The Annual General Meeting of The Mid Kent Water Company was held at the Company's Offices, High Street, Snodland, Kent on Thursday, 28th December, 1978.

The following is the Chairman's Statement for the year ended 30th September, 1978.

Our estimates of income and expenditure made more than a year ago proved to be reliable in all aspects, except interest rates on reinvestments, which have increased recently, and also progress on new construction and maintaining works which have fallen behind schedule, due partly to Manufacturers being unable to fulfil delivery promises.

The result is that we show a slightly higher surplus than anticipated and a corresponding increase in our carry forward from £281,157 to £409,516.

Consumption of water has continued to rise despite the cool summer and determined efforts to reduce waste. Figures of unmetred water supplied suggest that the downturn in consumption in 1976 and 1977 should not be regarded as significant, as those for the year indicate that the trend is back on course.

Metred consumption, although not as high as in the years 1973 to 1975, has risen but future increases could be at a slower rate.

The development of land for light industry, warehousing and housing continues, especially in the western half of the Company's area between Maidstone and the Medway Towns.

Work has continued on the investigation and development of the few remaining groundwater sources. The trunk main from Chilham to Ashford was completed in time to meet the highest ever summer demand in this Division. Two new service reservoirs have been completed and the construction of a new treatment plant at Bewl Bridge Reservoir to augment existing groundwater sources in the Weald of Kent is proceeding satisfactorily.

Application has been made jointly with the Southern Water Authority for an Order under Section 23 of the Water Act, 1945 to authorise, amongst other things, the Broad Oak Reservoir and ancillary works and also for the necessary Abstraction Licences under the Water Resources Act, 1963. As the result of objections received The Secretary of State has determined that an Inquiry will be held sometime in the New Year into these and planning matters.

The Company regards this scheme as the only satisfactory way of meeting deficiencies which, on the latest Kent County Council's population projections, are likely to occur in East Kent in 1984.

Such a capital programme involves considerable expenditure and a further issue of £3,000,000 8% Redeemable Preference Stock 1984 was made on 13th December, 1978 which realised £3,004,812 and was more than two and a half times oversubscribed.

Operating costs are under constant scrutiny and a new Computer, with improved facilities, has been installed. Economies achieved here and other savings do not offset general increases in costs, especially electricity, and it will be necessary to increase domestic water charges as from 1st April, 1979. Considerable publicity has been given to water charging policies for the future and the Company has taken a first step by introducing a two part tariff for metred consumers, which will remove the unfairness which it is felt existed by applying minimum charges based on rateable values.

The average number of staff employed throughout the year has fallen for the fourth year running. The Directors acknowledge the interest shown in improving both productivity and standards of service to consumers.

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PENSIONS?

Will Japanese investments do best in 1979?



F&C Anglo-Nippon Exempt, a Japanese fund for pension funds, charities and other tax exempt entities, topped the latest Harris Graham & Partners equity exempt fund performance table for the year to 30th September 1978.

F&C Anglo-Nippon Exempt is managed by F&C, who also manage the F&C North American Exempt Fund. Since 1968 F&C has specialised in international investment. F&C manage funds in excess of £300m.

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NEW YEAR RESOLUTION!
ask James Nelson and Eric Elstob about your prospects for 1979

Colour television market expands

BY MAX WILKINSON

NEARLY 7 per cent more colour television sets were delivered to UK distributors in the first 10 months of this year than last year, according to the British Radio Equipment Manufacturers' Association.

Its figures, out yesterday, also show that deliveries of imported sets increased twice as fast as the total.

The association finds that consumer sales of all radio and television products were disappointing during October and "failed to sustain the gradual improvement that had been seen in the earlier months of the year."

Although stock fluctuations make projections difficult, the figures point to a total UK colour television market of 1.75m sets in 1978 compared with 1.64m last year.

Imports

In the first 10 months of the year, deliveries by UK manufacturers were 79 per cent of the total. However, imports, at 296,000 sets, were 15 per cent up on the corresponding period last year.

Deliveries of monochrome sets, at 1m, were 18 per cent up on the total for the first 10 months of last year. Of that total, UK manufacturers' sets accounted for 55 per cent and imports remained at about last year's level.

In "domestic" audio-incorporating radio, which includes music centres, deliveries rose markedly compared with last year. The total for the first 10 months was 2.54m units, compared with 2.61m for the whole of last year. Of that, 87 per cent represented imports.

4,000 jobs boost for Scotland

By Ray Peman, Scottish Correspondent

SCOTTISH companies are to invest at least £575m in 1979, leading to a net increase of more than 4,000 jobs, a survey by the Scottish Council for Development and Industry shows that confidence is returning to many companies and, in particular, that there is a renewed willingness to invest by U.S. corporations.

The council wrote to 1,800 companies employing between them about 80 per cent of Scotland's manufacturing workforce. Only those who had firm commitments to invest in the next year, or who were going to increase or shed labour, were asked to reply.

The 705 answers received showed that there were definite plans by these companies to spend £479m on new building and equipment. About 8,700 new jobs would be created, but nearly 5,400 existing jobs would disappear.

To these figures the council added its own estimates for small companies employing fewer than 50 people, which were not covered by the survey. It was assumed that these would add about 20 per cent to the totals for investment and net jobs created.

The final figures are likely to be an underestimate of the amounts to be spent in Scotland in the coming year since the survey did not cover oil-related industry nor those companies involved in downstream activities directly dependent on oil. Additionally, the survey was confined, of course, to existing companies and new enterprises established during 1979 will swell the totals.

The construction industry is also likely to benefit and the council estimates that about 16,000 jobs could be secured by new building work.

Mr. Peter Balfour, chairman of the Scottish Council, said the survey findings gave grounds for optimism that unemployment would continue to fall.

Petrocon pays £290,000 in settlement

By Sue Cameron

THE UK-BASED Petrocon oil services group has reached a £290,399 out-of-court settlement over an allegation of breach of contract brought against it and its subsidiary, Offshore Drilling Supplies, in the U.S.

A U.S. petroleum consultant and an American supply company said that the group had failed to honour a contract to buy case piping worth \$2.7m. Last October a Texas court ordered Petrocon and Offshore Drilling Supplies to pay \$1.13m.

Petrocon, which fought the claim, originally intended to appeal against the decision and seek a new trial. However, Mr. Peter Hodgson, chairman of Petrocon, has informed shareholders that the Board eventually decided against that.

It was felt that there were "too many uncertainties regarding the application for a new trial and appeal."

Mild autumn cuts use of energy

BY SUE CAMERON

THE MILD autumn weather caused a 0.9 per cent drop in UK energy consumption during the three months ending in October, compared with the same period last year, says the Department of Energy's latest statistical bulletin, published yesterday.

Petroleum consumption between August and October was 4.3 per cent higher than at the same time last year, but this was offset by less use of coal and natural gas.

Coal consumption was down by 2.9 per cent, while natural gas was down by 4.5 per cent and nuclear electricity by 19.7 per cent.

Yet the total electricity supplied in the three months was 1.8 per cent higher than for the same months of 1977.

The total amount of fuel used for electricity generation during the period was 25m tonnes of coal equivalent — marginally higher than last year. The use of coal and oil for electricity generation rose by 2.9 per cent and by over 17 per cent respectively, but the use of natural gas was more than halved.

Refinery output for August to October was 10.7 per cent up on the comparable period in 1977 and the output of aviation turbine fuel rose by more than 25 per cent. Motor spirit, fuel oil and naphtha outputs went up by 11.3 per cent, 12.9 per cent and 16.8 per cent respectively.

During the three months ending in November this year deep mined coal production was 3.1 per cent higher than in the same period of 1977 and open-cast output was 1.5 per cent.

Coal stocks continued to increase during November, rising by nearly 1m tonnes to total 35.5m tonnes at the end of the month. This is 3.5m tonnes higher than a year ago.

MPs seek review of policy on Iran

BY RICHARD EVANS, LOBBY EDITOR

TWO Left-wing MPs have written to the Prime Minister, calling for an immediate review of Government policy towards Iran.

Both Mr. Callaghan and Dr. David Owen, Foreign Secretary, have been criticised by Labour MPs for their continuing support for the Shah.

Mr. Frank Ailana, Labour Party chairman and MP for Salford East, and Mr. Stan Newens, MP for Harlow, argue in their letters that the unrest in Iran is causing grave concern to both the business community and the Labour left.

Businessmen now recognised that the Shah would probably be forced to step down and that any new Iranian Government would look with considerable disfavour on those who had given his regime unreserved support.

"We should be the last to argue that the British Government's policy of commercial expediency to determine its policy, but as you will be only too well aware the argument has been put forward up till now that the economic consequences of speaking out against the present Iranian government would be catastrophic.

"It must surely now be recognised that the economic consequences of failing to speak out may equally be catastrophic and in these circumstances other considerations should be brought to the fore."

Neither Mr. Callaghan nor Dr. Owen are expected to make any controversial announcement in the immediate future on Britain's relations with Iran. Ministers feel it would be wise to allow events to develop without external influence.

Renewed growth is forecast in 1979

BY MICHAEL BLANDEN

RENEWED GROWTH of the world economy is expected in the second half of next year in the latest forecasts produced by the Economic Models group of researchers.

The strong growth in the first half of this year, the group comments, has not been sustained through the second half. While the confidence expressed by Finance Ministers at the International Monetary Fund talks in September was overdone, the recent pessimism has been similarly exaggerated.

The forecasters say that the growth of world gross national product next year will be only 3.1 per cent, compared with 3.9 per cent this year. The decline is mainly due to slower growth in North America.

Moreover, while the general slow-down is expected to continue into the middle of next year, a strong upturn is expected in the second half "with the growth prospects for 1980 looking very promising."

Growth of the gross domestic product is forecast at 2.8 per cent next year after an increase of 3.4 per cent this year.

The group says, however, that the cushion of North Sea oil has "not yet had all the stuffing knocked out of it" and that "there is clearly a danger of lost output and employment opportunities."

Looking at the U.S., the group argues that the problem of the dollar will continue into the medium term. It is expected to slide by further 5.5 per cent in 1979 after a drop of 11.2 per cent in effective terms during 1978.

Coal Board men stay on

BY JOHN LLOYD

THREE MEMBERS of the National Coal Board—including two who had reportedly protested over their salaries—have been re-appointed to the Board for periods ranging from two to five years by Mr. Anthony Wedgwood Benn, the Energy Secretary.

Mr. Norman Siddall, the board's deputy chairman since 1973 and a member since 1971, has been re-appointed until December 31, 1979.

Both Mr. Siddall and Mr. Donald Davies are believed to have protested strongly over the level of board salaries, which often means members are less well paid than senior officials.

Mr. Davies, the member with special responsibility for marketing and open-cast activities who was first appointed in 1973, has been re-appointed until September 30, 1983. Mr. John Mills, the member with responsibility for mining and production, who was first appointed in January, 1974, has been re-appointed until December 31, 1983.

It is not known if the acceptance of reappointment by Mr. Siddall and Mr. Davies means that their dissatisfaction over salary levels has been allayed by the announcement earlier this year that nationalised industry board members would receive increases phased over a three-year period.

Why administrators live longer

BY PAUL TAYLOR

WHITEHALL OFFICIALS live longer than messengers and civil servants are healthier if they take up sport, stop smoking and use stairs instead of lifts, according to medical reports published this week.

The reports, based on three medical studies of Whitehall civil servants, appear in the current issue of the Journal of Epidemiology and Community Health.

The first, called Employment, Grade and Coronary Heart Disease in British Civil Servants, shows that Civil Service messengers are four times more likely to die from coronary heart disease than department administrators.

The study, involving 17,500 men over more than seven years, found that the risk of coronary heart disease was lowest in administrators and increased gradually over the next five grades studied.

During the study, 1,086 of the sample group died, 462 from coronary heart disease. Messengers stood the highest risk

and tended to have higher blood pressures, blood sugar and cholesterol levels.

Twice as many messengers smoked cigarettes as did administrators and messengers were less likely to undertake "active" leisure-time pursuits. Professional and executive grades were found to run twice the coronary heart disease risk of administrators, and clerical workers three times the risk.

The study suggests that those differences cannot be accounted for by the recorded differences in such matters as smoking habits, blood pressure and height, and calls for further research to determine whether other factors, such as diet and social life might explain the results.

A second study, on relationship between leisure-time exercise and the death rate of nearly 18,000 executive officers showed that only 1 per cent of a sample who undertook vigorous exercise died of heart disease, compared with 4.3 per cent of those who took no vigorous exercise.

Vigorous exercise includes sports, such as swimming, tennis or hill climbing, keep-fit exercises, climbing more than 430 stairs a day, and heavy work such as digging, tree felling, sawing or concreting.

The third study attempted to examine the success of a campaign to persuade civil servants to give up smoking. The campaign involved interviews with a doctor who explained the hazards of smoking, but although the results were successful—more than half those involved gave up smoking after a year—the report says that many smokers not involved in the campaign also gave up.

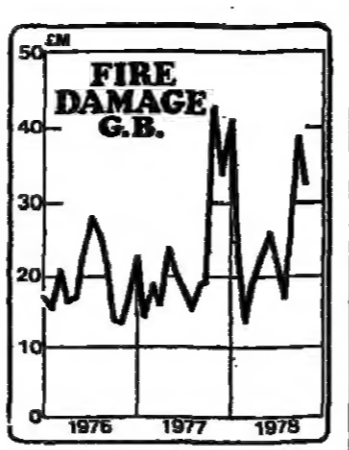
Further studies with larger sample groups are needed before the true effectiveness of the anti-smoking campaign can be judged, the report says. About 600,000 men and women die every year in England and Wales, 160,000 because of coronary heart disease.

Costs of fire damage at record £287.9m

By Eric Short

FIRE DAMAGE costs in Britain this year are already at a record £287.9m with figures for December still to come.

Yesterday's announcement by the British Insurance Association that fire damage costs for November totalled £32.2m brought total damage figures for the 11 months of this year to the record figure, compared with £261.7m for the whole of 1977—its record annual figure.



The figures for last year were seriously increased by the firemen's strike, which sent costs for the last two months soaring to record levels. This year, only January's figures were affected by the strike. November's costs, although £6.6m lower on the third successive month, over these three months, damage figures have been nearly double the average for a normal year.

The most significant feature of this year's fire damage costs has been a marked increase in the number of really big fires, where damage has amounted to at least £1m in each case.

There were a further three such fires in November bringing the number so far this year to 36. This number is well up on last year. November's major fires occurred at an oil complex at Hull, a needlemakers at Walsall and a printers in Preston.

Last month, there were also a further 16 fires where damage in each case was estimated to be at least £250,000, and another 78 which cost at least £55,000 each.

£5.6m plan to extend runway

By Rhys David

PLANS BY Manchester Airport to extend its runway by 800 ft—part of a £21m lengthening and strengthening scheme—have been put before local councils in the area.

The airport, Britain's busiest outside London, is due to go ahead next spring with a £15.4m rebuilding of the existing runway and is hoping the lengthening—to more than 10,000 ft—will cost a further £5.6m, can start as this project nears completion.

The improvements are designed to safeguard the Category A international gateway designation for Manchester made in the Government's recent White Paper on airports. They also will enable long-haul operators to use their aircraft at more economic capacity levels as well as providing an extra safety margin for landings.

The airport authority, drawn from Manchester City Council and the Greater Manchester county, decided earlier this year not to proceed at this stage with an alternative scheme which would have involved the building of a second runway.

However, the improvements now proposed are expected to cope with traffic growth up to 1990, when the number of passengers handled is estimated to reach 6m compared with the present 2.75m.

Strengthening of the runway is due to start in March and will involve night closure of the airport until October and again between March and August in 1980 when the work is expected to be completed.

ENERGY REVIEW: COAL

Facing up to the pitfalls of high technology mining

MECHANISATION OF coal-mines during the 1950s and 1960s took different courses in different countries. The German coal industry went for the plough. In the U.S. they developed the continuous miner. Britain pursued the Anderton shearer loader, first demonstrated successfully in north west England in 1952.

A quarter century of continuous development of the Anderton shearer loader has brought this machine to the point where not only are Britain's new mines such as Selby and Belvoir being planned around the latest versions, but major markets have begun to open overseas. The U.S., South Africa, Australia, Romania, and most recently China, are all prospective markets for the most highly powered versions. They will exert some 400 hp through their rotating picks to chew their way along the coal-face.



Mr. Peter Tregelles—the key problem is improving the running time of the coal winning machines.

The National Coal Board in Britain owns about 3,000 Anderton shearer loaders—costing up to £200,000 per machine. About 1,250 are in use at any one time, on 850 coalfaces—up to three simultaneously on some of the most productive faces. The rest are in process of being moved to a fresh face or, more probably, being repaired or renovated. As Mr. Peter Tregelles, the mining engineer in charge of the NCB's Mining Research and Development Establishment at Bretby, near Burton-on-Trent, puts it, the key short-term problem is to find means of improving the running time of the coal winning machines. The reliability of a machine, which is still being stretched to ever higher performance, is central to this problem.

Testing

"Across the whole spectrum, failure on first showing is alarmingly high," says Mr. Knight. "First showing" is the phrase used when Bretby is testing a prototype machine fresh from the maker—which will already have done its own development testing. Designers, Mr. Knight says, are often surprised by the poor performance of their products at Bretby. "They have made sincere efforts"—but their testing facilities will inevitably be more limited than those of Bretby. Often their experience will be confined to testing only their own company's products. The main reason why the NCB has invested heavily in its own reliability facilities is that, historically, testing of new equipment was done down the mine—which made miners extremely cautious of accepting any innovation. Even when a colliery manager was persuaded to try something new, there were serious difficulties in evaluating new equipment accurately and fairly under conditions prevailing at the coalface.

stances he believes the NCB could closely approach it even with today's technology.

Reliability has been a major objective for two decades at Bretby, but never more than today, when it is absorbing one-fifth of a total annual research budget of £15m. The £3m is aimed chiefly at the new equipment worth £150m a year which the NCB is buying for its national plant pool; that is, on equipment related to the production and conveyance of coal (The NCB's total capital budget was £535m.) On the production side it involves working with a dozen British companies, some of which are offshoots of U.S. organisations. With all the peripheral equipment, however, the number is over 200 companies.

Bretby has set itself some tough targets. In the early 1960s the life between overhauls for the Anderton shearer loader was 100,000 metres of coal-cutting. Some 50 per cent of the NCB's purchases achieved this performance without a single failure requiring the machine to be brought up from the coalface to the workshop for repair. A major overhaul costs about half the price of a new machine, but even this is small compared with the cost of interrupted production if the overhaul is unscheduled.

Unrelenting attention to reliability has improved the figures three fold: 300,000 metres between overhauls, with 50 per cent of machines achieving that distance. Moreover, the best today go on to reach 500,000 metres. But it still means that six or seven machines must be set up during the lifetime of a coalface.

Ideally, a machine would cut a complete face 200 metres in length—some 2m metres all told—between overhauls. Given round-the-clock cutting, this would take the machine about 15 months. "A little bit of a pipe dream," confesses Mr. Geoffrey Knight, who is in charge of rotary testing at Bretby. Yet in the best circum-

Recently, the NCB's operational research team in London has been making statistical surveys of the causes of hold-ups at the coalface. These provide Bretby's data bank, helping to identify the areas to which it should give priority to helping to improve the products of its suppliers. The data is also valuable for assessing changes in performance as new equipment, procedures and practices are introduced.

One recent example of the worrying initial performance by a product on Bretby's "machine breakers" is that of a new generation of hydraulic pumps, operating at up to 3,000 pounds per square inch, which is twice the standard pressure. All models submitted for testing failed on first showing—and again when tested a second time. Another example is Mr. Knight's experience in testing electric motors. Of 30 supplied for one series of tests, 24 failed to meet the specifications to which their manufacturers claimed to have designed them.

In the case of the Anderton shearer loader, manufacturers have suffered an additional complication for this very high duty machine has been constantly stretched in performance. As Mr. Knight puts it, "reliability has been consciously mortgaged to get other advantages from the machine." For example, the original fixed-head machine has given way to one with the cutting head at the end of a flexible arm. Power to this arm has been increasing steadily from 75 kilowatts to 150kW and now, in the latest versions on trial in Britain, 300kW. And industry is working on designs for 750kW machines. At the same time there has been considerable pressure to restrict the size of the machine, in order to give it maximum flexibility in the thinnest, possible coal seams. Moreover, the quest for a better mining environment has obliged designers to reduce dust—by cutting the

speed with which coal is cleaved.

The upshot, says Mr. Tregelles, is a rather remarkable machine—the equivalent in power of a London bus at the end of an arm, mounted on an unstable base. The NCB will put a dozen of the latest 300kW machines on to coalfaces during the coming year in a major trial organised by Bretby. (Bretby itself spends a quarter of its budget, or £3.5m to £4m a year, buying new equipment for demonstration in mines.) If the demonstration is successful the 300kW machine will be used to equip Selby, the new 10m ton a year pit being sunk in Yorkshire. It is a superb technology, Mr. Tregelles says confidently, one that will certainly carry the Coal Board through to the end of the century.

But Bretby's job is far from finished. For example, it wants to give miners more warning of any deterioration in the performance of this machine. Can it obtain advance warning of impending machine failure and perhaps avoid the necessity for an unscheduled replacement of the machine? Vibration patterns from bearings, the slowing promise of indicators of the health and wellbeing of mining machinery. They have already proved successful in the case of mine ventilation fans, a critical item. A fan in such a fan could easily cause the death of everyone in the mine. The law requires the industry to check these fans every half-hour. Bretby's researchers have identified a band of vibration frequencies which is always perturbed by any incipient bearing failure in the fan. About 400 mine ventilation systems throughout Britain are today automatically monitored for any perturbations in vibration originating in their anti-friction bearings or fan impellers.

Vibration

For the past two years researchers at Bretby have been trying to extend the same "health care" principles to more intricate items of machinery such as big gearboxes. Some ideas of the complexity of vibration patterns from such machines can be gauged from the fact that they have measured about 400 modes of vibration in a typical 300kW gearbox. The question now is whether they can isolate modes that are specifically perturbed by impending failure in a particular part of the machine. The full value of sophisticated monitoring of this kind will be realised when British mines are making extensive use of computer control and monitoring, as is planned by the NCB. Mines, the Mine Operating System evolved during the 1970s at Bretby, is a system of computer control which from its initial piecemeal demonstrations is already considered a winner. The enthusiasts claim that it will repeat the dramatic leap forward in mine productivity obtained in the 1960s by the introduction of the Anderton shearer loader machine.

Urban councils 'are failing to use aid'

BY PAUL TAYLOR

TOWN AND city councils in England have failed to use the Government's urban aid programme and its funds to give sufficient support to local community initiative, the National Council of Social Service says in a report published today.

The council, which promotes and supports voluntary social work and is partly funded by

the Government, particularly criticises local authorities' handling of the programme and of project bids.

The report says that local authorities often fail to keep voluntary organisations aware of their intentions, to involve them in planning new projects, to stimulate volunteers' involvement, and that councils are

unhelpful over programme procedure.

It suggests means of improving the system and increasing voluntary organisations' involvement in more systematic plans for tackling urban deprivation.

Voluntary organisations, it says, have made a large contribution to relieving urban deprivation.

However, it adds, concern exists about how effective the programme has been in involving and promoting community initiatives.

The Traditional Urban Programme: Disposing the Voluntary Sector, (National Council of Social Service, 26 Bedford Square, London WC1B 3HU).

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مكثامن الأصيل

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LABOUR

Daily Express journalists end ban on agency

BY ALAN PIKE, LABOUR CORRESPONDENT

JOURNALISTS ON the Daily Express voted yesterday to stop blocking copy from the Press Association, the national news agency, after a High Court action against their union.

The National Union of Journalists instructed its members on Fleet Street newspapers to stop handling PA material at the start of a month-long strike. The High Court held that the union's instruction was not covered by the sympathy action provisions of the Trade Union and Labour Relations Act and the union lost an appeal against the decision last week.

Trade unionists are concerned that the decision might have wide implications for sympathy action in other areas of industry.

King and Hutchings, the printing works at Uxbridge, dismissed 10 press room workers yesterday for acting in support of the provincial journalists.

As a result, the Evening Mail, Slough and Hounslow, failed to appear. The London edition of the International Herald Tribune and other publications produced by the company under contract will also be put at risk by a long dispute.

The press room workers, members of the National Society of Operative Printers, Graphical and Media Personnel, had refused to handle newsprint delivered to the works by a non-union lorry driver.

The NUJ yesterday sent an open letter to all provincial newspaper management, with whom they are in dispute, urging them to resume negotiations through their national body, the Newspaper Society.

Members of the new TUC Institute of Journalists have received an improved offer, worth about 11 per cent, from the society, which will be considered by Institute leaders today. The society says, however, that it will not negotiate with the NUJ until the strike is called off.

Comparability used much more to win bigger pay rises

BY PAULINE CLARK, LABOUR STAFF

A BIG increase this year in the Central Arbitration Committee's workload has pointed to a mounting use of comparability exercises by groups of workers seeking to sidestep pay policy restrictions.

The number of awards made by the committee in the first 11 months of 1978, at 778, is already more than double the number in the full year 1977, when the wards totalled 308.

In addition, between 100 and 150 hearings remain on the December list for consideration from this month onwards.

The figure is also about 11 times greater than that recorded from February 1976 — when the committee was first set up — until the end of that year.

Undoubtedly, the committee's increased work can be attributed to the impact of successive Government income policies in particular since pay restrictions were relaxed with the introduction of the Phase Three 10 per cent pay ceiling.

The permitted use of self-financing productivity deals led many groups of workers who were unable to exploit this new provision to try to maintain their earnings in other ways.

The CAC agency has also become an important instrument for achieving pay increases above the Government guidelines for workers in individual companies or organisations.

where the nature of the industry probably would have led to greater rises through negotiated productivity deals.

The committee was set up as an independent body under the 1975 Employment Protection Act to take over the functions of the former Industrial Arbitration Board as well as to hear complaints on trade union recognition and other issues.

For the most part, CAC awards have been made with minimum publicity, if only because increases awarded under Schedule II of the Employment Protection Act or the 1946 Fair Wages Resolution can be made outside Government pay policy.

In some cases, the CAC has been able to prevent serious industrial conflict.

For example, its eleven-hour 124 per cent award to technicians of the Association of Broadcasting Staff prevented a BBC Television blackout over Christmas.

According to the association, the Government actually requested union discussions with the BBC over Central Arbitration Committee's surplus because of the build-up of militancy over pay.

The CAC has also been useful to both Government and workers in the past, in particular in the case of shipbuilders' pay.

Training plans 'may help union aims'

BY OUR LABOUR CORRESPONDENT

PLANS TO restructure engineering apprentice training could assist moves to create a single union in the industry, Mr. George Guy, general secretary of the Sheet Metal Workers' Union, said yesterday.

Proposals for a new approach to training in the industry were being made against a background of a shortage of skilled craftsmen, too few apprentices in training, difficulties facing adult entrants to skilled occupations and the likely effect of technological changes.

One of the plans was for greater job flexibility and the development of the 'multi-skilled craftsman'. But this depended, upon unions being prepared to let other skilled employees do what they considered to be their work.

This could be solved only if the Confederation of Shipbuilding and Engineering Unions or, failing that, the industry's major union — the Amalgamated Union of Engineering Workers — gave sufficient impetus to get the scheme off the ground.

"Such a change would lead towards one union for engineers, and that may be on the cards eventually in any case," says Mr. Guy, writing in his union journal.

The Engineering Industry Training Board is proposing changes under which apprenticeship training would be related to standards of attainment rather than specific periods of time.

Mr. Guy also calls for a more tolerant attitude towards the employment of adults who retrain for new skills owing to technological change during their working lives.

"Adult trainees are not some kind of foreign invader of skilled preserves. They are members of the working class requiring employment, many of them with their own skills the demand for which has disappeared."

"Can we face this dramatic change? Is there any real alternative? If we hang on to the old ways, will we by default do less than we can and ought to do for the skilled workers of the future?"

Nurses' national protest called for January 18

BY OUR LABOUR STAFF

THE ROYAL College of Nursing is to call a national protest meeting of nurses on January 18 following a refusal by the Prime Minister to meet nurses trade union representatives on their claim for "special case" pay treatment.

Other contingency plans for national action are being drawn up by the college in support of a demand for payment in lieu of productivity in the face of eroded differentials between nurses and other hospital workers.

Health service workers belonging to CORSE to begin industrial action in Ipswich from Monday.

The 350 workers at St Clement's psychiatric hospital decided to go ahead with their action before the threatened national dispute, due to begin later in January. The workers had already rejected the 5 per cent national offer, but their decision will not be supported by workers at other hospitals in the 2,000-strong Ipswich and East Suffolk branch of the union.

مكتبة الأرحل

NOTICE OF REDEMPTION

To Holders of

International Standard Electric Corporation

8¼% Sinking Fund Debentures, Due 1986

NOTICE IS HEREBY GIVEN, that pursuant to Section 3.03 of the Indenture dated as of February 1, 1971 between International Standard Electric Corporation and Bank of America National Trust and Savings Association, Trustee, (the "Indenture"), \$4,500,000 principal amount of International Standard Electric Corporation 8¼% Sinking Fund Debentures due 1986 (the "Debentures") have been called for redemption on February 1, 1979 (the "Redemption Date") through the operation of the Sinking Fund at 100% of the principal amount thereof, together with interest thereon at the rate of 8¼% per annum to the Redemption Date. Pursuant to section 3.03 of the Indenture, the Trustee has selected for redemption on February 1, 1979 the following Debentures, to wit:

\$1,000 COUPON DEBENTURES, EACH BEARING THE PREFIX LETTER "M"

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On February 1, 1979 the Debentures designated above will become due and payable and are required to be presented and surrendered for redemption and payment on or after said date at any of the following places of payment:

The Debentures must be accompanied by all interest coupons appertaining thereto maturing after February 1, 1979. Interest on the Debentures so called for redemption shall cease to accrue from and after February 1, 1979, and the interest coupons appertaining thereto maturing after said date shall be void.

International Standard Electric Corporation

by Bank of America National Trust and Savings Association, Trustee

MANAGEMENT

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EDITED BY CHRISTOPHER LORENZ

POLITICIANS are increasingly turning to the small business sector as the main potential source of new employment. They look abroad, see far more "business" being set up there, and wonder why it is not here.

My answer to them is simple. Firstly, you have ensured that the environment is wrong for promoting the politics of competition. You foster jealousy of success rather than promoting success itself. Secondly, you have hamstringing the independent entrepreneur who you so badly need, with laws concerning taxation, employment and Government interference which are enough to destroy the moral fibre of a nation.

The small businessman will take the necessary risks, and is prepared to do without the comfort of a budget. Mother State, if he is given the chance to enjoy real independence, to enjoy standing on his own two feet and to have fun making a success of his business.

That financial and social independence which is our requirement has been steadily undermined by the politicians who espouse our help. How many of us can say that we have had fun running our businesses in the past four years?

Five years ago it gave me great pleasure to increase my workforce; it was a sign of growth. Today I search for every excuse for not taking on extra labour because the people that I employ have moved on. Balance Sheet from assets to liabilities. Today it is much more difficult, and probably more expensive, to shed an employee from your payroll than to divorce your wife.

If we compare small business in the UK with that in Germany, France, Japan or the U.S., we find some striking differences. First, each of the other countries has proportionately a higher number of small businesses. These businesses are more likely to fall than in the UK. Higher financial ceilings are acceptable compared with equivalent companies here. They stay in the same ownership for longer and they provide a considerably higher proportion of the national employment. The owner is satisfied with running a small business because the tax structure allows him to accumulate wealth and re-invest it in his own and other businesses.

As a result, the entrepreneur in these countries finds it easier to get started, he is forgiven more readily for failure, and he does not necessarily see the sale of his business as being the only way in which he can gain access to his capital. He is also available as a source of investment and advice for other

IN TERMS of speeches, lectures and articles during 1978, no management subject could possibly rival Small Business for the title of "Fashion of the Year." But is there much substance behind the fashionable veneer? In particular, has the Government's much-publicised series of small business incentives done anything to encourage entrepreneurs to take greater

risks? And do entrepreneurs really need the sort of help they are now being offered by socially- (or publicity-) minded giants like Shell and ICI?

Today we publish the uncompromising views of an entrepreneur who has an unusual ability to combine direct personal experience with thorough economic analysis: David Cooksey, the

38-year-old managing director of Intercohn, which was formed in 1971 at Glenrothes, Fife, when he and several other former executives of De La Rue bought the old Thermoplastics Division of Formica. An Oxford graduate, Cooksey had previously been responsible for Formica's European manufacturing plants, so he has first-hand experience of the worlds of both big and small business.

When the Management Page first looked at his company in June 1974, turnover was less than £600,000. The current rate is approaching £3m, and Intercohn now has 150 employees. The article that follows is an abbreviated version of a paper David Cooksey gave to the recent annual conference for smaller businesses of the Scottish Council for Development and Industry.

Have we really progressed towards a fairer society? I think not.

So much for just some of the problems. What of the remedies?

Remember, industry pays for all the extravaganzas of our spendthrift politicians. Those politicians do not contribute one penny towards their own profligacy. The solutions I propose are likely to be highly disagreeable to those who have risen to power by promoting conflict and envy, and by spending our earnings.

The prime requirement is to improve the ability of individuals to accumulate capital and improve the rewards for backing successful entrepreneurs. This will be achieved by:

- A substantial move to taxation of spending as opposed to taxation of earnings. Increase VAT and reduce all levels of income-tax so that extra taxed earnings from a company competes with untaxed moonlighting. The top rate of income-tax must not exceed 50 per cent of any form of income. Restrict the total tax take by restricting Government spending.

- Put investment in manufacturing companies on an equal footing with investment in the building societies and the pension funds.

- Ease the burdens of Capital Gains and Capital Transfer Tax for the owners of small companies. Encourage transfer of the company during the owner's lifetime. It is vital that capital should be employed efficiently in high added-value industry rather than in idle assets such as pictures, etc.

- Ensure that proposed legislation is scrutinised and drafted with smaller firms' management in mind. The entrepreneur is to be treated as someone wanted in the community, not as an outcast. He is a member of the general public.

- Pay more attention to the cost-effectiveness of legislation and tax gathering.
- Make all employees, unionised and non-unionised, equal under the law.

- Finally, remove all discretionary assistance from government departments and replace it with specific relevant government purchasing or development contracts aimed at encouraging a strong competitive industrial sector. There is no point whatever in robbing Peter to pay Peter.

Britain will only regain her status as a great trading nation if her managers can concentrate on competing in world markets. It is distressing that we are being increasingly forced to concentrate our efforts in the work-place and in administration, at the expense of effort desperately needed in the market place.

How the entrepreneur is hamstrung by government

BY DAVID COOKSEY

... until death - or the industrial tribunal - dous part ...



Government has countered this situation by offering a cotton wool existence for the small manufacturing business by offering subsidies and grants, selective assistance and other forms of help which are all available to you provided you are happy to have a host of civil servants enquiring about your company, that you report on a monthly basis that you have done nothing to offend Her Majesty's Government and that you will devote a large proportion of your administrative effort to filling in forms, while the one thing you want to do is to get on with running your own business and enjoy making a profit from it.

Just read the list of who gets selective assistance and grants of one form or another. You will find that the vast majority is

taken up by such over-familiar names as the National Coal Board, British Steel, ICI and British Petroleum. Assistance is available to the company that can afford to make the investment that has the bureaucracy to deal with bureaucracy, and has the balance sheet strength to convince the civil servants that they will not be risking their necks or the taxpayers' money. A substantial proportion of their profits is derived from their skill at making the Government cow rather than driving their business in the appropriate direction.

I must not complain. My company has enjoyed selective assistance and we have enjoyed courteous and helpful assistance from the Scottish Economic Planning Department, but the

contortions that we went through to qualify for help led us to make wrong business decisions on the way. I am convinced that the whole mish-mash of Government interference should be dismantled and healthy, virile industry should be encouraged by creating opportunity rather than by paying subsidy.

The term "company" ought to refer to a group of people working together. Those people work to create wealth and a better life for themselves. If we look at the strike records of small and large companies, now we find that the legislation that is being passed is only necessary for the large companies; there are more appropriate ways of settling disagreements in the smaller companies. Yet the politicians persist in passing legislation which sets employee against employer and creates the state that it is purported to eliminate.

The Employment Protection Act and the Trades Union and Labour Relations Act force unionisation into companies where it has been totally unnecessary. This legislation runs counter to the legal principle of being innocent until proven guilty. Unfair dismissal claims are positively encouraged by civil servants at the Department of Employment, and companies are put to immense expense defending themselves in this most un-British form of justice. The company always pays directly or indirectly for the costs of prosecution and defence.

At a time when the small businessman finds it difficult to accumulate capital himself, unfair dismissal and redundancy claims seem to be an excellent method for the employers to acquire capital. Some are becoming quite professional at it.

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

AUTOMATION

Low cost assembly at high speed

ECONOMIC assembly of a five-part electrical component without the need for a costly, fully automated process, yet producing a reduction in the labour content of the job was a challenge successfully met recently by VSI Automation Company.

The parts included two moulded plastic arms connected by a plain headed hinge pin, a steel 'U'-shaped contact and a recessed head retaining screw. A design feasibility study indicated that a mechanised assembly unit, built from standard VSI components and paced by a single operator, would be economic in terms of unit cost while, at the same time, achieving the required output with no defective end-products.

To assemble the parts the operator raises the guard on the unit, inserts two plastic arms into a special jig and locates the 'U'-shaped contact on to the end of one arm. The guard is then powered to initiate the assembly process.

The jig moves forward under the action of an air cylinder and a headed hinge pin is blown from one of the two vibratory bowl feeders to the nozzle

of a vertically-mounted, modified pneumatic screwdriver which presses it into the hinge bosses of the plastic arms. Then the second bowl feeder delivers a screw to a horizontally-mounted, pneumatic screwdriver which inserts it into the contact hole to a predetermined depth. The operator then opens the guard and this retracts the jig and automatically ejects the completed assembly ready for the operator to be repeated.

The whole assembly process takes only a matter of seconds and outputs of up to 900 parts per hour can easily be reached by semi-skilled operators.

Sequencing of the hinge pin and screw insertion is accomplished by means of a bank of pneumatic relays operated by an electric motor-driven camshaft. Two control boxes, with on-off switches and bowl feeder speed regulators, are located adjacent to the operator's assembly station and the whole mechanism is contained within a clear-view safety enclosure.

Further information from VSI Automation Company, 194 Stanley Green Road, Poole, Dorset BH15 3AW (0202 624727).

SEMINAR

Hot riser corrosion

A PROBLEM of the utmost importance to the developing North Sea oil fields: corrosion of hot riser systems, will be discussed at a seminar to be held in London at the Sudbury Conference Theatre on February 20, 1979.

The problem is being actively studied by the National Physical Laboratory and the Corrosion and Protection Centre UMIST in the UK, by TNO in Holland, the Corrosion

Centre in Denmark, and by DNV and NPD in Norway.

Papers will be presented at the seminar by contributors who are recognised leaders in this field, says the organiser.

Enquiries to Lindsay Lyth, Scientific and Technical Services, Oxy International Business Communications, Norwich House, 11/13 Norwich Street, London EC4A 1AB (01-242 2481).

SAFETY

Gloves for hot work

SAFETY GLOVES for use in high temperature industries such as welding, glass manufacturing, and bakeries—but also by fire brigades and racing drivers—are made from Nomex, which is Dupont's high temperature resistant nylon fibre.

Among its many properties are the possibilities of washing, comfort in wear, strength, low thermal conductivity and low

flammability.

The glove is made without any seams in the fingers, palm or back, and because it is close fitting, allows the wearer maximum finger dexterity. It is also made with a long cuff to protect the forearm.

Further details from Anthony Moor, Units 5-6, Bingham Industrial Estate, Bingham, Notts. (0949-35517).

RESEARCH

Analysis of vibration

ADVANTAGES of monitoring vibration levels in helicopters with the Scientific-Atlanta Model 2538 vibration signature analyser include a reduction in the cost of testing rotating helicopter components, compared with spectrometric oil analysis and magnetic chip detector inspection systems. It also reduces helicopter downtime by giving advance warning of troubles in gearboxes, shafts, pumps and other components.

On-site measurement of vibra-

tion is provided and results are compared against the characteristic vibration signatures of the various gearboxes, shafts, pumps and other rotating components, permitting efficient trouble analysis.

The analyser weighs only 18 lb and operates on rechargeable batteries. Hard copy of the test results is available on 4 in by 6 in cards which can be filed for ready reference.

Scientific-Atlanta, Randolph Park West, Randolph Township, New Jersey 07801, U.S.

Close look from above

GENERAL Electric Company's Space Division, Philadelphia, has signed a \$77m contract with NASA to build Landsat-D, the most advanced Earth resources monitoring satellite system to date.

The incentive contract cost includes a \$5m fee with additional earnings of up to \$4.3m, depending upon how well the system performs once the satellite is in orbit.

Scheduled for launch in autumn 1981, Landsat-D is the fourth in a series of experimental satellites to explore the Earth from more than 640 kilometres up.

In addition to the multi-spectral scanner (MSS) carried by the first three Landsats, Landsat-D will carry a sensor

known as the thematic mapper (TM) which will provide a spatial resolution approximately three times as detailed as its predecessor multi-spectral scanner (MSS).

The contract also calls for a backup spacecraft; a data management system; an operations control centre to be located at the NASA Goddard Space Flight Center (GSFC) Greenbelt, Md.; a transportable ground station; and a Landsat assessment system to quantify and demonstrate the advantages of the thematic mapper over the MSS.

Landsat data are primarily used for the monitoring and management of food and fibre resources, water resources, mineral and petroleum explorations and land cover and use mapping.

Speeds food quality control work

PLANER has begun marketing an anaerobic incubator cabinet which offers quality control and research laboratories in the food and allied fields a more efficient alternative to the conventional use of multiple anaerobic jars.

Designed in consultation with bacteriological experts, the cabinet is intended for routine incubation of anaerobic bacteria under strictly-controlled conditions.

The cabinet comprises a rugged stainless steel incubator chamber with a double-glazed, rigid-plastic window in which one or two glove ports are mounted. Transfer of specimens into and from the cabinet is via a side-mounted airlock which can be evacuated and backflushed with the desired anaerobic gas to prevent ingress of oxygen into the main chamber.

The anaerobic atmosphere in the latter (normally 80 per cent nitrogen, 10 per cent carbon dioxide, 10 per cent hydrogen) is maintained at a slight positive pressure, removal of oxygen and moisture being assisted by a palladium catalyst unit, and desiccant respectively.

Airlock purge operation is automatic, with cycles of evacuation (via a rotary pump) and backfilling with gas from the main chamber, before the internal door can be operated. All controls and operations are interlocked to prevent accidental admittance of air to the main chamber. Stages in the airlock purge cycle, and correct closure of the airlock door, are indicated by coloured lights on the control panel. Incubator temperature is accurately controlled and uniform temperature distribution is aided by a circulating fan.

The front of the unit is constructed as a hinged door which can be opened to obtain full access to the chamber when required, e.g. for cleaning. In normal operation, it is held closed in gas-tight contact with the main chamber via a flexible rectangular seal.

Petri dishes, tissue cultures, flasks etc. can be transferred from the airlock into the main chamber manually using the glove ports. Alternatively, an index carousel to take over 100 Petri dishes using an externally operated transfer arm is available as an optional item.

Work on preserving archives

ACCORDING to Battelle Columbus Laboratories it is possible that the minute amount of light emitted by almost all organic substances during degradation—chemiluminescence—will eventually provide the necessary clues for predicting how long paper will last.

The research team has developed a chemiluminescence monitor and has been measuring how much light is emitted from Library of Congress paper samples treated in various ways and exposed to different atmospheric conditions.

Results, so far, indicate that chemiluminescence is higher at a given temperature for dry paper than for wet, the amount of emitted light rising with the temperature.

Changing the humidity by cycling between moist and dry air also increased the emission—supporting the common practice of maintaining books at constant humidity to minimise deterioration.

It is hoped that future work will, for example, provide a measure of the damage caused by incident light and yield information about oxidation rates under ambient conditions. The laboratories are at 505 King Avenue, Columbus, Ohio 43201.

Further from G. V. Planer, Windmill Road, Sunbury-on-Thames, Middlesex. Sunbury 36322.

Protects the crops

PLASTIC protective netting for seed beds and growing crops is now being produced by BIF British Industrial Fastenings, Gatehouse Road, Aylesbury, Bucks HP19 3DS, (0296 51341).

It is claimed to have a life expectancy up to 10 years and is of non-extruded knitted construction and coloured green. Mesh size is 22 by 22 mm and the netting is supplied in rolls 6 m wide and 100 m long.

Completely new overhead electric travelling cranes are available from a new crane maker in the UK. Alleorton Industries of Northallerton has been manufacturing fabricated steelwork for UK crane companies since 1947, and the company has decided to expand into the assembly of complete cranes.

COMPONENTS

Simplified door closer

NOW IN volume production by T1 James Gibbons of Wolverhampton is a compact door closing unit which can be let in to the underside of the top of a door frame and so be virtually invisible. The number of moving parts has been minimised.

Known as the Transomatic III, the unit measures 314x94x38 mm (12.3x3.7x1.5 ins) and is able to deal with doors weighing up to 90 kgs (200 lb). The design permits straightforward installation by one man.

A spring loaded cam action is

employed, checked by an enclosed cylinder mounted between the two springs. The cam swings a lever connected to the top of the door.

The unit has a wide range of closing speeds and tensions, both easily adjustable, and a "hold open" option is available.

An additive in the cylinder oil prevents bounce of piston within cylinder, giving an exceptionally smooth closing action.

Church Lane, Wolverhampton, West Midlands WV2 4BX (0902 55855).

IN THE OFFICE

Tax forms made easier

IN PREPARATION for the end of the current tax year in April, Wilkes Business Forms has brought out its new P11(S)/P80 computer tax forms.

Consisting of three-part continuous sets, interleaved with office carbon and with each part printed in a different colour for easy identification, they are fully approved by the Department of Health and Social Security and the Inland Revenue and conform to the requirements of the Social Security Pensions Act 1975 which comes into force in April.

Under the new legislation,

those contracted out of the State scheme will have to furnish additional information on the next P11. Many existing forms will become obsolete but the extra requirements are catered for in the Wilkes design.

Although intended for use on all line or serial printers, the forms can also be typed on an ordinary typewriter or handwritten, and provide an efficient method of completing the end-of-year tax documents that every employee receives.

Wilkes Business Forms, Oxford Street, Bilston, West Midlands WV14 7DW. 0902 42261.

METALWORK

Eases shaping of metal

FIVE DEEP drawing and metal forming lubricants are to be marketed by Rocol. The range has been given the brand name Ultraform and it is claimed the lubricants will meet the most exacting requirements when forming, drawing, piercing or blanking difficult materials or when producing complicated shapes.

One of the major advantages claimed for these lubricants is that they can also be used to reinforce the appropriate conventional lubricant.

In field trials, says Rocol, the

Ultraform range has demonstrated outstanding improvements in surface finish and production rates.

One company, drawing 4 in deep copper cups, achieved a rate of 600-700 drawers per hour by using one of the products and reckoned that this level of productivity and acceptable finish could not have been obtained with ordinary pressing oils.

Rocol has its headquarters at Swillington, Leeds (0532 862261).

ENERGY

Efficient heat saver

NEI PROJECTS (Process Engineering), sole UK distributor for the Westinghouse centrifugal "Templifier" heat pump, has negotiated the first sale outside the U.S. of a heat recovery system incorporating the new Westinghouse model TPE Templifier. It is to be part of a new dairy installation being supplied by Engelmann and Buckham of Alton, Hants, to the Unigate Dairy in Walsall.

The system has the very high coefficient of performance (COP) of more than 5.4 and recovers waste heat from a Hydrolock milk sterilisation unit. This heat is supplied to

heat water to 70 degrees C for use as boiler feed, milk process and space heating. The system also gives a considerable saving as the water from which the heat has been extracted is cooled down to a temperature which allows it to be re-used as cooling water in the Hydrolock steriliser.

This order will be of particular interest as it is the first centrifugal compressor heat pump application in the UK.

NEI Projects (Process Engineering), Victoria Works, Gateshead, NE8 3HS. 0632 770288.

The Red Baron spreads his catering wings

BY DARRELL DELAMAIDE IN HAMBURG

HOMESICK German businessmen and other travellers with a taste for Teutonic cuisine may soon be able to dine on dumplings and other delicacies in Saudi Arabia and Egypt, courtesy of Lufthansa.

The airline's catering subsidiary, Lufthansa Service GmbH, has just received the green light to set up a chain of high-class restaurant centres. The first of these "Senator-Res-taurants", which include lounge and shopping facilities, is to be open in the centre of Munich in the summer and will be followed by at least three others in Germany and at least seven abroad.

The restaurant chain has little to do with the airline—known as the Red Baron—or even with flying. The restaurant clubs are to be located in city centres, nowhere near airports, and will offer not only everything from soup to nuts, but services like sewing on buttons as well.

LSG's managing director, Reiner Jodahn, sees the new chain as a logical expansion of the unit's business, which has long since outgrown its initial task of providing on-board repasts for Lufthansa flights. Besides being the supplier for 150 airlines at German airports, LSG caters for special events in places like Rio, New York and Moscow. For instance, LSG will feed U.S. television crews covering the Moscow Olympics (as it did in Munich).

LSG itself will have revenues this year of about DM 250m (compared with Lufthansa's total turnover for 1977 of DM 4.6bn) and now will have its own subsidiary, LSG-Res-taurant GmbH, to operate the new chain. According to LSG projections, the new unit should reach a cumulative turnover of DM 30m by 1983, the first stage of its expansion.

The first establishment in Munich (and later domestic centres in Düsseldorf, Hamburg and Berlin) will enable the fledgling enterprise to gather experience. The first foreign branch is scheduled for a 1980 opening and is likely to be in Cairo.

Other likely centres are London, New York, Toronto, Sydney and Saudi Arabia. The Middle East is a prime target because of the large colonies of Germans and other temporary expatriates in that region. Tehran in fact would have been LSG's first choice before the unrest there.

If the idea catches on, predict Jodahn, as many as 24 of these cases of German culture could be planted around the globe.

The restaurants will offer a menu of German specialities in an atmosphere designed for business meetings, with a maximum capacity of 160 persons. The lounges, resembling the VIP lounges maintained by many airlines in airports, will also be suitable for meeting business contacts and will offer a news ticker, an airline and hotel bookings service, as well as other facilities.

The shops abroad will be stocked with German products, including Wurst and Schwarzbrot. Payment by credit card or eventually even by signature will be encouraged.

Jodahn feels that the new Lufthansa enterprise differs from hotel and restaurant chains operated by other airlines not only in its club-like concept but in its exclusive character. He hopes the food and service will correspond at least to one star in the Michelin.

The centres will provide a more upmarket image for an outfit which spends a lot of time smearing butter on bread for the bag lunches offered on the Red Baron's domestic flights. Jodahn sees the new unit as a profitable way of capitalising on LSG's existing logistical system—for example as another professional outlet for the cooks trained in LSG's Frankfurt kitchens, or Lufthansa cabin attendants tired of sitting around.

Beyond its own operations, LSG-Res-taurant plans to offer logistical and managerial advice to third parties and is ready to engage in cooperation with or even capital participation in other restaurant firms.

Koyo

quality delivered on time

INSTRUMENTS

Tells if shaft is in trouble

IN MOST rotational machinery the noise and shaking produced by mis-to-balance effects are relatively easy to detect; torsional vibration in shafts is less easily identified—and sometimes not noticed until the component breaks down.

An instrument developed by Scientific Atlanta and available in the UK from Data Acquisition of Stockport allows torsional oscillation measurements to be made and then used to determine if a system is performing according to criteria established by the manufacturer.

The unit accepts inputs from magnetic or optical encoders and is able to plot torsional vibration data in two ways. In a histogram plot mode the instrument analyses and plots sequentially the vibration amplitude of each engine "order"—that is, the frequencies which are multiples or sub-multiples of the shaft angular velocity. Out-of-the-ordinary amplitudes are easily seen.

Alternatively, an "order plot" mode selects the engine order of interest, say "times 3.5," and then plots the amplitude as a function of engine RPM.

The instrument incorporates a small pen recorder and plots the data on a separate card for each order. Both X and Y axis scale factors as well as the order number are automatically printed.

For the "order" mode, the instrument uses narrow band-pass filters which lock on to the selected order frequency and track it through two selectable RPM ranges.

A front panel meter monitors the vibration amplitude and also serves as a battery test indicator. Displacement signals are available for external use.

More about the model 2524 from the company at Brookfield House, Hopes Carr, Stockport, Cheshire SK1 3BG (061-477 3688).

The limits of reason

BY DAVID FISLOCK

THE FEROCITY with which those opposed to nuclear power have greeted Lord Rothschild's recent suggestion that the Government might try to draw up an "index of risk" to help the public get risks into proportion does not suggest too much interest in a dispassionate search for truth in this matter. It is reminiscent of the last time that the issue of nuclear power was raised in the House of Commons, when the Government's position was attacked by the Opposition with a ferocity which was not matched by any equally strong defence.

Values

Lord Rothschild himself, drawing readers' attention to several "inaccuracies or misrepresentations" in an attack on his Dimbleby lecture in the scientific journal Nature, says sweetly that they were "doubtless unintentional". Stephen Cotter, professor of sociology at Bath, expressed the resistance to consider hard facts in its most civilised form when, in a letter to The Times, he said that the nuclear debate was about values, not facts. "The acceptability of risk cannot be isolated from values," he is right; but that is no argument whatsoever for refusing to take a cool look at the statistics of risk.

The exasperation of those who believe most strongly in nuclear energy—who tend to be those who know most about it and are associated most closely with its risks—is quite palpable there. In Washington the other day a journalist advised a well-known U.S. nuclear industry at its annual conference to let out a "great howl of rage" at the time it was enduring as passively from its opponents. It was time to strike back. In Britain, the irony of British Nuclear Fuels being obliged to pay "hostility money" to its Windward workers is not lost on the industry's leaders—who with scant public support from politicians in defending an activity the Government itself officially approves of—are constantly exposed to attacks by the media. The turn of the tide, however, to the idea being canvassed of a counter-attack by the nuclear industry upon the coal industry. This is a heavily subsidised public activity, the high risks of which—at least to its employees—are freely acknowledged by government. The forthcoming public inquiry into the Vale of Belvoir deposit would afford a convenient public launchpad for such an attack.

As Lord Rothschild has suggested, the risks are not only to those who choose "freely" to work at the coalface. They touch us all. He challenged the Coal Board and the Royal Commission on Environmental Pollution to refute the charges of the American Medical Association this summer that a coal-fired power station caused 400 times as many premature deaths as a nuclear station.

The economic trend is already plain. The nuclear industry is often attacked for the way the price of nuclear power stations has escalated in the 1970s, well beyond the factor ascribable to inflation. Increasing concern with their safety is the extra factor. But the U.S., with rather wider experience than Britain of commissioning new power stations in the Seventies, finds that just about the same factor for safety can be ascribed to the increased cost of coal-fired stations.

Is it really a highly developed sense of values that persuades people to support coal rather than nuclear energy? Or is it merely expediency? It is becoming clearer that the so-called "benign and renewable" energy forms are less benign and much more expensive than nuclear energy's opponents have led politicians and the public to believe. The government sifted the options according to the promise they held for Britain and chose wavepower as much the most promising large-scale source. It funded a variety of experimental work into different ways of harnessing waves. It then asked independent engineering consultants, unconnected either with wavepower's potential customers or the Department of Energy, to extrapolate those experiments and estimate the likely electricity cost. It turned out to be a horrifying 20p a unit or more.

And so we come back to coal. But a finely honed sense of values would surely say that men should not be permitted to work underground, much less at a coalface. In Britain it is clear that there is no way in sight for raising coal from the richer deposits, half-a-mile or so deep, without miners. None of this, of course, supports the case for a counter-attack by the nuclear industry upon the coal industry. But it does show just how vulnerable the coal industry and its supporters would be to a well-orchestrated intellectual assault on the safety and social values of winning and burning coal, along lines analogous to those being used to make the case against nuclear energy.



WINDSOR

WINDSOR'S line of defence against the juggernaut lorry runs in a 12-mile arc south of the castle, just beyond the range of vision from its battlements. And despite being severely tested, the defences have held.

The decisive clash in the battle of the Windsor road cordon, in which Berkshire County Council has sought to retain a six-month-old ban on heavy lorries from a wide area around Windsor, was fought out in the High Court last before Christmas. Berkshire, the victor, is now free to decide whether to make the ban, which is still experimental, permanent. The losers, the Freight Transport Association, the Road Haulage Association and the National Farmers Union, retired from the field. The decision cost the losers an estimated increase of £2m per year in the operating costs of their members, and the £10,000 bill for the court action. They are not at all pleased.

The five-year-old Heavy Commercial Vehicles (Controls and Regulations) Act, which the Dykes Act after its sponsoring MP, Hugh Dykes, charged local

authorities with surveying lorry movements, identifying areas where heavy lorries were considered to be causing environmental damage—and gave them, for the first time, the power to deny access to lorries on environmental grounds.

Berkshire decided to impose a five-ton unladen weight limit except for access, on 11.50-yard stretches of road, and one of 25 yards, at all junctions in a semicircle stretching from the M4 near the Thameside village of Datchet, east of Windsor, to the M4 at Paley Street, nearly 10 miles to the west.

Since virtually all the road "plugs" are in rural areas, their total 575-yards length contains at most a few farm gates. But the plugs' combined effect is to make the 40 square miles around Windsor a "no go area" for heavy traffic.

The road lobby argued in court that Berkshire had exceeded its powers under the Dykes Act by not delineating the overall area of the ban and in not providing reasonable access to areas affected, but not specifically covered by the ban. However, the judge ruled that the council was required only to name the specific stretches of road covered by the ban, and pointed out that maintaining such access was the job of the Act as a desirable rather than mandatory.

While Berkshire prefers to

call its cordon "unique" rather than "devious," it is certainly ingenious in that it is much easier to police than would have been the case if the entire area had been labelled "prohibited except for access."

Berkshire justified the ban on the grounds that for many years it had been suffering from an unreasonably heavy use by northbound and southbound juggernauts wishing to avoid the congested areas nearer to

outcome of the High Court action. Enforcement, they indicate, will now be stepped up.

What is clear is that for those living within the area, the ban has been a marked success. The rush-hour tailbacks on the Windsor approaches have shrunk noticeably and the Transport and Road Research Laboratory, which has been monitoring the scheme, reports that some 1,500 heavy lorries

per day are being kept out of the cordon area. On routes directly affected by the ban, 1,400 homes are enjoying an average daily drop of 410 passing lorries.

But the other side of the coin is that for 1200 homes on the perimeter of the cordon, there has been an average daily increase of 360 lorries.

The National Farmers Union's involvement has been based on fears of disruption to feedstuffs, fertilisers and other supplies to the dozens of farms within the cordon area. But so far farmers report no major problems.

"We've said all along that this scheme is unlikely to solve any problems, only move them elsewhere," points out Mr. Don McIntyre, transport officer for the 14,900-member Freight Transport Association, the members of which operate some 400,000 heavy commercial vehicles.

The hauliers' over-riding concern now is that local authorities elsewhere, virtually all of which have abandoned the schemes for mandatory lorry

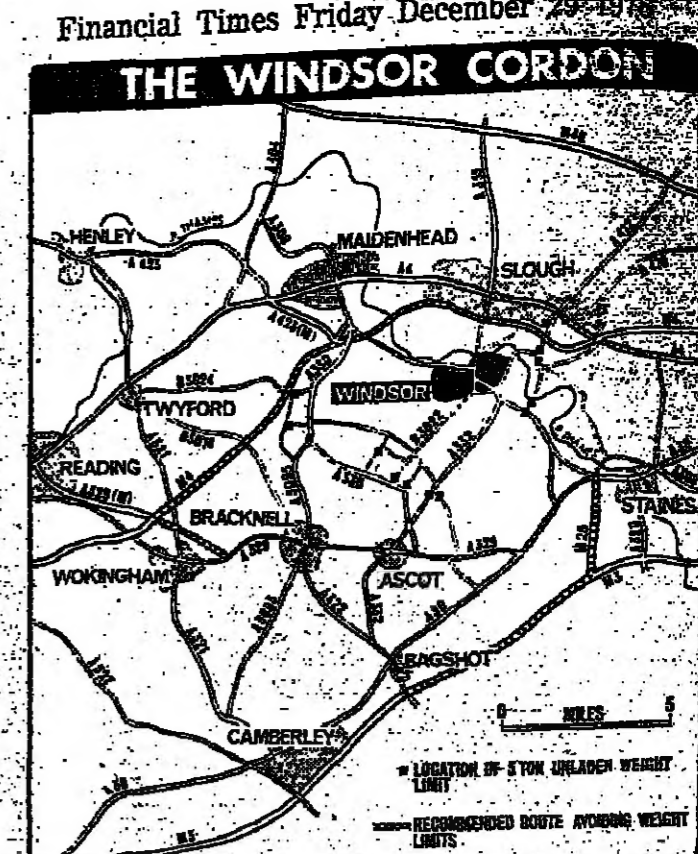
routing drawn up in the first flush of enthusiasm after the passing of the Dykes Act, will now look again at the possibilities created by the Windsor cordon decision.

So far, only Cumbria County Council is near to publishing details of a similar ban, on the A591 between Keswick and Kendal, although West Yorkshire also wants to implement a ban on heavy lorries crossing its bridges in the Leeds area.

Berkshire does not particularly want to minimise the hauliers' difficulties; its own original projections of the cost of the ban (£2m per year at 1976 prices) were presented to councillors ahead of the decision to implement the ban "to bring home the gravity of the decision they were

making," according to Mr. Ward. "They were told simply that this was the cost of protecting the environment. In making a decision to go ahead, we were fully aware of the need for a before-and-after study. And it still stands that if it is found not to work, then we are quite willing to take the ban off. But since the scheme was introduced, not one standardised case of hardship has been presented to anyone. It's been a success."

The ban's initial experimental period, which expired in December, has already been extended for six months and can be extended again by the same amount. But by December 1979, Berkshire must decide whether to abandon the scheme or make it permanent.



THE WINDSOR CORDON

Queen's College set for victory

QUEEN'S COLLEGE, the sole course and distance winner in the line-up, looks to be the one to back in today's second Newbury three-mile Weyhill Handicap Chase.

The Queen Mother's tough and consistent seven-year-old, who succeeded in making the frame on each of his five appearances last year, is the success here. The Clerk at Worcester on his chasing debut.

In the absence of Spowhill Sailor he is given a reasonably confident vote. Course and distance winner, Haggitt, looks a better proposition than Ambrose, who had only to stand up at Kempton on Tuesday for the forecast.

With Easy Commission, Goose Pimple and Ten Dollars more all absentees from the Ely Park Novices Chase, the way may well be clear for Ian Wilkinson's moderate mount, Miss Melita. This seven-year-old who lost touch with Great Brig in the final half mile at Uttoxeter's 31-mile Rooster Novice Chase on December 12, will be better for that run and it is doubtful if she will find an easier opportunity of opening her account over fences.

In spite of the strong claims of Tony Dickinson's northern challenger, Honnegger, I shall be looking to Pardon for the winner of the Ramsbury Hurdle. Fred Winter's improving seven-year-old easily disposed of Genovese in the closing stages of the valuable Hampton Court Hurdle at Ascot on SGB Day and it could well be that he is now a young hurdler with a bright future.

Half an hour after the Ramsbury Hurdle Royal Judgment seems certain to take a great deal of beating in the Abingdon Handicap Hurdle. Joseph Clifford's five-year-old gelding, Bador 11 pounds and a 12-length beating in a handicap at Kempton on November 22, and that form looks superior to anything recently achieved by his opponents.

For the danger I turn to Leterellian who beat Metals by seven lengths at Uttoxeter after going down narrowly to Honnegger in Chepstow's 21-mile Night Nurse Hurdle.

NEWBURY
12.30—Miss Melita
1.00—Burridge**
1.30—Jack O'Lantern
1.50—Tony Dickinson's "College"
2.30—Pardon
3.00—Royal Judgment**

RACING

BY DOMINIC WIGAN

Boy in a poor novice event: running on gamely to win in the final strides.

Although the form of that event does not amount to much, Queen's College showed sufficient promise on two other appearances last season to suggest that he could well become a smart staying chaser given time.

It, as reports suggest, the College Green gelding has gone the right way over the close season, he ought to prove capable of giving a fair amount of weight to St. Cadwaladr, not seen out since running Joe Kelly to six lengths on his chasing debut at Chepstow last season. Captain Tim Porter has

TV/Radio

World of Hanna-Barbera, 5.30 News

5.30 Regional News (except London and South East)

6.00 Star Trek
6.50 David Soul (a portrait)
7.30 Citizen Smith
8.00 The Liver Birds
8.30 News

8.45 "Ooh, You Are Awful!" starring Dick Emery
10.20 Year of the Horse 78
11.05 "Theatre of Blood"

All Regions as BBC1 except at the following times:

Wales—1.45-2.00 pm Melin Wyoat, 5.50 Wales Today, 5.55-6.00 Newydd, 10.20 Kine on Friday, 11.10 "Theatre of Blood", 12.55 am News and Weather for Wales

Scotland—5.50-6.00 pm News for Scotland
Northern Ireland—5.53-5.55 pm

Northern Ireland News, 5.50-6.00 Northern Ireland News

England—5.50-6.00 pm Tom and Jerry—cartoon (London and South East only)

BBC 2
11.00 am Play School (as BBC1, 3.55 pm)
1.30 pm Leonard Bernstein at Harvard
4.15 New Year Matinee: "The FBI Story" starring James Stewart
6.40 News on 2
6.50 "The Glorious Muska-teers" (cartoon film)
8.30 Pot Black 78
8.50 Cricket: Third Test—Australia v. England (highlights)
9.25 Horizon
10.20 Late News
11.00 James Lomax in "Days of Wine and Roses"

All IBA Regions as London except at the following times:

ANGLIA
9.30 am Melita, 9.45 Willie on Water, 10.10 Take a Bow, 10.35 They'll Never Get It To Fly, 11.15 Lord Lingo, 11.40 The Sweet Sugar Doughnut, 1.15 am News, 1.20 am The Christmas Season

ATV
9.30 am The Adventures of Pinocchio, 9.55 Survival, 10.20 Willie on Water, 10.45 The Sweet Sugar Doughnut, 1.20 am News, 1.25 am The Christmas Season

BORDER
9.45 am Willie on Water, 10.10 Take a Bow, 10.35 They'll Never Get It To Fly, 11.15 Lord Lingo, 11.40 The Sweet Sugar Doughnut, 1.20 am News, 1.25 am The Christmas Season

CHANNEL
1.18 pm Channel Lunchtime News and Weather, 1.25 pm The Christmas Season, 1.30 pm The Christmas Season, 1.35 pm The Christmas Season, 1.40 pm The Christmas Season, 1.45 pm The Christmas Season, 1.50 pm The Christmas Season, 1.55 pm The Christmas Season, 2.00 pm The Christmas Season, 2.05 pm The Christmas Season, 2.10 pm The Christmas Season, 2.15 pm The Christmas Season, 2.20 pm The Christmas Season, 2.25 pm The Christmas Season, 2.30 pm The Christmas Season, 2.35 pm The Christmas Season, 2.40 pm The Christmas Season, 2.45 pm The Christmas Season, 2.50 pm The Christmas Season, 2.55 pm The Christmas Season, 3.00 pm The Christmas Season, 3.05 pm The Christmas Season, 3.10 pm The Christmas Season, 3.15 pm The Christmas Season, 3.20 pm The Christmas Season, 3.25 pm The Christmas Season, 3.30 pm The Christmas Season, 3.35 pm The Christmas Season, 3.40 pm The Christmas Season, 3.45 pm The Christmas Season, 3.50 pm The Christmas Season, 3.55 pm The Christmas Season, 4.00 pm The Christmas 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THE ARTS

Cinema

More flaws than Jaws

by NIGEL ANDREWS

Jaws 2 (A)
A Wedding (AA)
 Empire
 Studio, Cinecena and
 selected Odeons.
 Ernest Lubitsch
 National Film Theatre

Just when you thought it was safe to go back in the water... says the poster, indicating that *Jaws 2* has the unenviable task of following on the heels of the most momentous record-breaker in movie history.

With that mischievous evangelism peculiar to the American leisure industry—this time last year our cinemas were visited by *Rollercoaster*, broadcasting the destructive possibilities of the fun fair—Hollywood is trying for a second time to terrify the public away from the beaches. It won't, I think, succeed. Not that *Jaws 2* isn't

Robert Shaw and Richard Dreyfuss. The number of token victims thrown on to the screen merely to be eaten up was kept to a discreet minimum, and so was the quantity of screen time allotted to characterising them. *Jaws 2* dwells for far too long on the anticipatory high-jinks of these Hollywood teenagers, who look as if they have stepped out of *Gidget Goes Shark Fishing*, and there is no one except Scheider in the rest of the cast who seems to have been sculpted by the screenwriters into three dimensions.

Certainly not the shark. In *Jaws 1* the animal operated on a now-you-see-him-now-you-don't basis, so that one never had time to wonder whether it was real or not. In *Jaws 2* the shark sits up and begs to have its unreality noticed. With its lifeless eyes and auto-pilot movements, it looks as if it would be more at home patrolling your bath-tub

Geraldine Chaplin insists. There are Mia Farrow (Bride's nymphomaniac sister), Howard Duff (worldly, lascivious family doctor), Viveca Lindfors (mad Swedish something-or-other) and Laureen Hutton (itinerant filmmaker). There is even Lillian 'Clash' as the aged grandmother of the Groom (GOG?), who dies in bed in an early scene and lies there throughout the movie as a silent and undiscovered reproof to the revels downstairs. Mia Farrow steals the film by saying almost nothing (three lines, I hazard) and yet somehow spreading among her fellow characters the rumour that she is pregnant by her newly-wed brother-in-law. The running gags run and run and run: some to good effect (Geraldine Chaplin's demented pedantry as the wedding co-ordinator), some less so (Carol Burnett's whirlwind flirtation with the Groom's uncle).

and insubstantial as a soufflé. Enjoyable enough: but one hopes that another square meal will be on the way from Altman before too long.

Talking of square meals—and four days after Christmas may not be the best time to do so—the National Film Theatre is celebrating the New Year with a full-scale Ernst Lubitsch retrospective. The German director famed and famed for his 'touch' is honoured by a mouth-watering season running the length of January. Lubitsch's penchant for sweet-and-sour romantic comedies, playing mischievously around themes of sex, is represented here not only by the well-known movies from his days in Hollywood—*Trouble In Paradise*, *Design For Living*, *The Merry Widow*, *Ninotchka*—but by earlier, less trumpeted German efforts from the late 'teens' of the century.



Canapes and champagne—a scene from 'A Wedding'

already gobbling up receipts at the box office in America. But said the fiddling screens and the time round the several shack is gone and it is all too much like a conjuring trick whose secrets have been given away.

The little island-resort of Amity is again the setting. Roy Scheider, he of the worried frown and shark-like features, is the police officer tirelessly championing public safety against the venal interests of the island's tourist-conscious Mayor (Murray Hamilton). When a series of luckless boaters and swimmers mysteriously 'disappear' at sea, Scheider unpopularity decides that another shark must be in the vicinity. His view is vindicated when a large party of teenagers are climactically stranded at sea, with the finny creature snapping around their boat, eager for his dinner.

Those teenagers are part—or most—of the film's problem. The strength of *Jaws* was that the hunters and the hunted were one, and the same with the central trio of Scheider,

than pretending to be an ocean-going fish. And although much blood is spread around the screen at climactic moments, the frissons in the film are too few, the absurdities and incongruities too many.

That last statement can also be made about Robert Altman's *A Wedding*. This strenuously farcical account of a wedding party in richest Chicago uses the Altman cast-of-dozens format (à la Nashville) to provide what is more like a hectic series of revue sketches than a unified film. For *A Wedding* Altman has doubled the number of 'main' characters used in *Nashville*—24 has exploded into 48—and it is hardly surprising that a sense of hopeless disorientation results.

The familiar faces fly by, and one has to catch the lines they speak and the grimaces they flash as best one can. There is Carol Burnett, smiling in toothsome anxiety as the Bride's mother. There are Nina Van Pallandt and Vittorio Gassman as the mother and father of the Groom. (Or the MOG and FOG, as Mistress-of-Ceremonies

The pace hardly flags, except for one ill-conceived sentimental dialogue between Gassman and Van Pallandt, and for long stretches the overlapping conversation that is an Altman specialty keeps the gags going simultaneously as well as in on-stop sequence. There is even a dance-room scene, in which couples swing past the camera, delivering their two-liners, that is like an inadvertent homage to *The Muppet Show*. One searches in vain for Miss Piggy locked in a fast fox-brot embrace with Kermit the Frog.

The problem with *A Wedding* is that it comes from the director of *Nashville*; a multi-character tragicomedy which succeeded in bringing all its characters to life and making the gags serve them. In *A Wedding* the characters serve the gags, and if the first do not fit the second then they are made to do so by some Procrustean twisting and stretching. The film is shot in a shimmer of pastel colours that softens any hint of serious social satire. It is all as fluffy

In his preface to the NFT booklet, the season's organiser John Giltner was an admonishing finger at those who would consign the German director to the imprisoning—and trivialising—clique of 'the Lubitsch touch'. To do so, argues Giltner, ignores his steady and thoughtful development through three decades of movie-making.

There is no doubt that Lubitsch's career was a triumphant object lesson in consistency and certainty of style and vision. Alone among the pre-war German directors who moved to Hollywood (he did so very early, in 1933), Lubitsch had almost no teething troubles in adapting his polished, swirling style to American settings and characters. He found, furthermore, both in Germany and America the ideal players to enact his brittle, satirical, feather-light romanticism: actors and actresses like Pola Negri, Maurice Chevalier, Claudette Colbert, Jeanette MacDonald, Carole Lombard, Greta Garbo. All these are to be seen—and many, many more—in the coming month at the NFT. Book now.

King's Head

Zastrozzi by B. A. YOUNG

This is not an adaptation of the romance that Shelley wrote at Eton, but an original piece devised by the Canadian writer George F. Walker when he had read a description of it. It is a Gothic revenge tale full of violence and murder but of not much else. Zastrozzi flatters himself that he is the master criminal of all Europe, though in this play he sets himself only one easy target. He intends to kill Verzezi, the complete Renaissance man who has em-

braced all the arts one after another and is now mainly concerned with being the voice of God, if not God himself. Verzezi murdered Zastrozzi's mother, but we never hear the details; the act is no more than the spring in the clockwork of the plot. A basic Tom-and-Jerry chase continues throughout the play with little deviation. Zastrozzi decides to tempt his victim into the suicide with the help of the trollop Matilda, so ensuring that he will go to hell; but the line

leads to nothing. There is also a young virgin, Julia, who provides scope for some incidental seduction (once, rather cleverly, with words alone) and provides some action for Zastrozzi's man Bernardo, a kind of Leporello.

My problem lay in deciding whether the play was true pastiche Gothic or parody. The incidental music played by Andy Smith at the piano indicates parody. It sounds like an amateur organist extemporising a Voluntary. But the writing is consciously literary. When Zastrozzi says that Verzezi is a fool, Bernardo (who is given a likeable Cockney performance by George Swonger) says: 'I would tend to agree.' In spite of all the rough-housing and sword-play so admirably directed by William Hobbs, I think the story belongs between covers rather than on the stage.

John Castle plays Zastrozzi like Lucianus in *The Murder of Gonzago*, radiating evil as hard as he can. He has a good time when, after a nightmare in which he is leading the forces of good against the forces of evil, he cannot resist putting on a terrible good-natured smile as if it were a false nose. His opponent, Verzezi, gets little from Anthony Milner, but a beard and a Bunthorpe voice. Susan Penhaligon plays Julia as the essence of virginity, rippling with orgasmic shivers when Zastrozzi merely describes the process of seduction; and Christina Grestorex in a vivid gipsy dress wields a passion or a sword as well as the men. In a finale to rival Hamlet's, all the characters but Zastrozzi lie dead in a disused prison-for lunatics. Kenneth Chubb directs with resource, and Rita Furzey has provided some appropriate designs on a simple scale.

St. John's

L'Enfance...

Listeners to Radio 3 were to have been the main beneficiaries of last Friday's performance of Berlioz's oratorio by the BBC Singers and BBC Symphony Orchestra. But the strike by members of the Association of Broadcasting Staff meant that it was heard solely at St. John's.

I wondered, nevertheless, how on earth the intended radio audience was supposed to follow the work, which does not unfold in familiar biblical sequence. The decision to perform it in French, instead of in a good English translation, seems in retrospect to reflect those mandarin-like attitudes of the BBC's music management which have helped to make Radio 3's audience as small as it is.

There might have been an excuse if French solo singers had been specially engaged. But this performance was particularly 'home-made' and not remarkable for distinction of style. That admirable young baritone Stephen Roberts, in the role of Joseph, seemed the best habituated to Berlioz's idiom. Ann Murray (Mary) did not seem happy at exchanging Italian operatic colouratura for these long-sustained lines. Brian Burrows as the Narrator faltered in tone towards the end, and Paul Hudson (Herod and Ishmaelite) had the right bass sonority but little persuasiveness in the language.

The performance was conscientiously shaped in a rather restrained style, by Gennady Rozhdenskiy—who continues to show the widest sympathies in his first season as the BBC's principal conductor.

ARTHUR JACOBS

DUNDEE AND LONDON INVESTMENT TRUST LIMITED

Extract from the Report and Accounts for Year ended 31 October 1978

	1978	1977
Revenue after charging interest and expenses of Management	£717,635	£651,038
Taxation	256,126	237,401
Preference Dividends	£461,509	£413,637
	14,875	14,875
	£446,634	£398,762
Ordinary Dividends—		
Interim of 0.8p paid (4.8p)	£151,200	£134,400
Final of 1.7p proposed (1.5p)	285,600	252,000
	436,800	386,400
Transferred to Revenue Reserve	£9,334	£12,362
Earnings per Ordinary 25p Share	2.66p	2.37p
	31 October 1978	31 October 1977
Valuation of Investments	£15,850,832	£15,719,073
Investment currency premium included above	£879,253	£719,682
Net Asset Value per Ordinary Share	871p	84p
ROYAL EXCHANGE, THOMSON McLINTOCK & CO., DUNDEE		Secretaries.



Colin Hume (centre) in 'The Two Fiddlers'

Jeannetta Cochrane

The Two Fiddlers by DEBORAH PICKERING

This is destined to be a "school opera" although its unequivocal message is a warning to adults, who masochistically dominated the audience of its London premiere on Wednesday.

The story of two fiddlers, one of whom fell among trolls, is based on a Scandinavian-Orkney folk tale. George Mackay Brown retold it in a book from which Peter Maxwell Davies has created his two act opera.

Fiddler one, Storm Kolson, was played by Simon Haynes who, like the rest of the cast and orchestra, is a pupil of Pimlico School—incidentally, the only school where the local education

authority has set up a specialist music course inside a large comprehensive.

Storm is lured into the trolls' mound where he plays a tune for the king and queen and an assorted bunch of long-armed subjects whose fingers tickle the ground as they whoop and whirl in concentrated malevolence. He is rewarded with a wish... and asks that Orkney folk should never have to work again; and extends his visit for 21 years.

Meanwhile, back in reality, his mate Gavin (Ben Buckton) has freed himself from Storm's music and mayhem. He marries, reproduces, buys a bungalow, a television set, a life insurance

policy and collects his old age pension.

When they next meet, in Act 2, Gavin looks aged but Storm does his thing on the fiddle, is forgiven and joined by Gavin, and soon the island is rocking and rampant with pent-up energy. Then people actually start to work once more.

Enthusiasm can mollify a multitude of sins. The Pimlico players burst with vigour that is twice as strong as vocal quality.

The music is made for children to perform and is not over-taxing. At times it is almost enchanting. In all, it is 50 minutes of immense fun.

vision channel to the other—in this case, TBC, the trolls' own station.

Thank God for music! Storm does his thing on the fiddle, is forgiven and joined by Gavin, and soon the island is rocking and rampant with pent-up energy. Then people actually start to work once more.

Enthusiasm can mollify a multitude of sins. The Pimlico players burst with vigour that is twice as strong as vocal quality.

The music is made for children to perform and is not over-taxing. At times it is almost enchanting. In all, it is 50 minutes of immense fun.

Arts news in brief...

The Arts Council Poetry Library, formed in 1953 and claimed to be the most comprehensive and accessible collection of 20th century poetry in the English language has moved from 105 Piccadilly to 9 Long Acre. The move will give the library much needed extra space and will considerably improve facilities. The Arts Council Literature Department is also moving to Long Acre and in the New Year the Arts Council Shop will also

be transferring from Sackville Street to the adjoining premises.

The library was set up by the Arts Council of Great Britain in 1953 and the collection was first housed at the National Book League's headquarters in Albemarle Street. It moved to 105 Piccadilly, the Arts Council headquarters, in 1969. The collection has grown substantially over the past six years and the move to larger premises in the Covent Garden

area will enable the further development of the collection in a well-designed library.

At its new premises in Long Acre the library will be open Tuesday to Saturday from 10 am to 5 pm with late opening until 7 pm on Fridays.

On January 4 the Oxford University Press, which has made its reputation from reference books and other works of scholarship, publishes a

series of books especially designed for children who have failed to learn to read.

The course is called *Fuzzbuzz* and has been devised by Colin Harris, deputy headmaster of Eton Lowfields Special School in Middlesbrough.

Fuzzbuzz aims to teach a basic 250 words, and its structured combination of reading books and workbooks ensures that the pupil will never be discouraged by being confronted with something he cannot read.

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Friday December 29 1973

The monopoly buyers

A RECURRING theme in the history of Britain's nationalised industries has been the uneasy relationship with their suppliers. Several of the state corporations have been accused of undermining their suppliers' export prospects by choosing equipment to suit their own engineers' tastes, with no regard to overseas requirements. This applies particularly to the Post Office, where the inability of the British exchange equipment makers to offer a competitive system is blamed on faulty technical decisions by the dominant purchaser.

The hope is that System X, the all-electronic system now being developed for the Post Office, will enable the British telecommunications industry to regain a respectable share of the world market. But there appears to be no agreement as yet on how the system is to be marketed. The Post Office is hoping to establish an international marketing company which will include itself and the three main supplying companies, General Electric Company, Plessey and Standard Telephone and Cables, the ITI subsidiary.

Showcase

In principle, the direct involvement of the dominant domestic purchaser in selling equipment and systems overseas would seem to be undesirable and unlikely to be effective, not least because of the potential conflicts of interest among the consortium members. There are other ways in which the state corporations can usefully assist their suppliers to gain export business. The most important is to act as a showcase to potential foreign customers who wish to see the equipment they are being offered in operation. The experience and know-how of the state corporations in their particular industries are highly regarded overseas; consultancy work by such organisations as British Rail and British Steel has led directly or indirectly to hardware orders for UK equipment manufacturers and contractors.

The nationalised industries can, at least in theory, use their buying power to influence the structure and performance of their supplying industries and to make them more competitive internationally. Attempts to exercise this power, however, have had rather mixed results. Some mergers were brought about in the mining machinery industry during the 1960s through the combined efforts of the National Coal Board and the Industrial Reorganisation Cor-

poration: the results appear to have been satisfactory. But recent experience with the turbine generator and boiler industries has been much less happy. Unless the state corporation is prepared to take a firm view about the appropriate structure of the industry and to impose it on the companies concerned, and for this it needs full backing from the Government — the end result is likely to be muddle, bitterness and an even more divided industry than before.

Nuclear gloom

The nuclear industry presents an even gloomier story, with apparently endless arguments about the choice of reactor system and about the right organisation for building it. This debate, which has gone on for at least ten years and could continue for another ten, has made a major contribution to the failure of the British industry to export nuclear reactors.

Part of the problem is that the state corporations simply have too much power. Because decisions are centralised they become political decisions, subject to lobbying from all interested parties. If a wrong decision is made, as in the choice of the Advanced Gas-cooled Reactor (AGR), it will have profound consequences on the supplying industry for many years. It would be highly desirable for some of this decision-making power to be decentralised, but proposals for splitting up the Central Electricity Generating Board, for example, into four or five regional authorities have never been given serious consideration by successive governments.

Restructuring

Breaking up the telecommunications side of the Post Office, unfortunately, not a practical proposition; the decision to introduce System X has to be a national decision. The task for the Post Office is to reorganise its procurement and its development work as to facilitate the emergence of a supplier (or suppliers) who can start taking big overseas contracts away from Ericsson of Sweden, Nippon Electric of Japan and others. This may involve some restructuring among the supplying companies, but it may also require the Post Office to relinquish to the companies some of its system designer role. Without the right relationship between customer and suppliers, System X could prove to be another of those British innovations which no-one wants except the British.

Economy and political institutions under strain

Turkey's tightrope walk between chaos and coup

BY DAVID TONGE



Mr. Bulent Ecevit: cold shoulder from the West.

TWO YEARS AGO, Turkey seemed poised to recover its old imperial greatness, or so many Turks would have had one believe. Economic growth was averaging 7 per cent, one of the highest rates in the OECD. The air was full of talk of green revolutions and a great leap forward into heavy industry.

Now they are a shell-shocked nation which, while retaining its faith in tomorrow, wonders how it will struggle through today. Both political and economic crises have been mounting, in spite of a series of belated and severe measures. Even so radical a move as the introduction of martial law this week is in a sense merely the tightening by one more notch of an already tight belt.

This year's toll of political deaths is around 800, treble the sorry record for 1972. The Sunnis and Alevis (as the Shiite Moslems are known in Turkey) are in open conflict and the country's 5m-7m Kurds are as restless as at any time since their last uprising was crushed by Kemal Ataturk in the 1920s.

As for the economic background it could hardly be worse. Just as there are queues at the mortuaries, so there are queues for bread, meat, heating kerosene, and cooking gas. Power cuts are a daily occurrence. There are frequent shortages of petrol.

The weight of overdue foreign debts and famine of foreign exchange have choked the flow of the imports on which industry and investment depend. Factories are on average working at half-capacity. Unemployment is approaching 30 per cent of the labour force. Consumer prices are rising at an annual rate of nearly 80 per cent. The growth of GNP is down to 2.7 per cent—a rate little above the annual population increase.

All these problems pre-date the access to power exactly one year ago of Mr. Bulent Ecevit. That he has since had so much trouble in coming to grips with them reflects in part the cold shoulder that Turkey, a member of NATO, has been shown by the West. But it is also indicative of the fundamental nature of the problems. Turkey is a country in the process of transformation. In the course of this transformation it is inevitable that the political institutions shaped by yesterday's reality should themselves come under strain.

In the last quarter of a century Turkey has seen its subsistence economy largely replaced by a market one. As part and parcel of this there has been a massive population shift. In 1950 only 18 per cent of Turks lived in towns of over 10,000 inhabitants. Today this share is 44 per cent. Three-fifths of those living in the main cities were born elsewhere. Over half of them have to make

do with shacks little better than slums.

This strain on urban living is matched by the breakdown of traditional patterns both in towns and in particular in the heartland of Anatolia. The road network has extended to most of the country's villages, bringing in its wake the outside world. Tractors are breaking down traditional cropping patterns. The return of emigrant workers from West Germany, the wider use of radio and, more occasionally, television and newspapers, are spreading ideas which question practices dating back to the time when Turkish hordes stormed through Anatolia in the early part of this millennium.

Such mobility of population and ideas have inevitably put fresh strains on the Kemalist philosophy which underpins modern Turkey. The republic itself was conceived in the bitterness of the years when Britain and France occupied Istanbul and backed the Greek invasion of Asia Minor. But in 1923, when the republic finally emerged from the ashes of the Ottoman Empire, Kemal Ataturk set a course of reform and westernisation.

He was a close friend of Reza Shah, the present Shah of Iran's father, and like him was a despot. But his achievements in modernising the fabric of his country have largely stood the test of time. In the six years after he abolished the Caliphate in 1922 he repealed the Holy Law, the *sharia*, disestablished Islam, and had references to it removed from the constitution. He ruthlessly crushed those who resisted his dissolution of the various Islamic brotherhoods.

On the economic front he may have neglected agriculture but in spite of his crushing of the Communists he obtained Soviet help in laying the foundations of central planning and State industry. Equally important he made change and a fight against

privilege the accepted targets of the young Turk.

Kemalism has in it the valuable vagueness which allows it to be the creed of widely differing groups. Its basic concepts are the "six arrows" which form the symbol of the Republican People's Party which Ataturk founded and which Mr. Ecevit now heads—secularism, nationalism, populism, republicanism, for the predominance of the State and (peaceful) revolution.

In the 40 years since Ataturk died, part of this lay, mixed-economy approach has been generalised. The late 1940s and in particular the 1950s saw religion allowed into the open. As a result of U.S. insistence planning, however rudimentary, and the idea of the mixed economy were placed by *laissez faire* and the development of free enterprise. By the end of the 1950s the economy was in chaos and Mr. Adnan Menderes, then Prime Minister, had so abused a political system tailored to the form of Ataturk himself that the armed forces stepped in. They have long seen themselves as the custodians of the modernising tradition which Ataturk himself had sought to institutionalise.

The military coup of 1960 ushered in a liberal constitution but the next two elections saw power returned to the anti-reformist forces that the army had overthrown. By the late 1960s the Left was actively challenging the belief that reforms could be introduced through Parliament. At the same time a group in the army was preparing a Left-wing coup which, but for the defection of General Faruk Gulter in 1971, could have seen the army's intervention that year being radically different from the form it took. In the event its ultimatum which led to the resignation of Mr. Suleyman Demirel and his (conservative) Justice Party Government ushered in a witch hunt of the Left and widespread use of torture during the two years of martial law which followed.

Since then the constitution has been made more restrictive but the basic nature of the State has remained egalitarian and participatory. The rule of Parliament has been reasserted but the elections of 1973 and 1977 both led to no clear Parliamentary majority nor any natural coalition. The Nationalist Front coalition headed by Mr. Demirel polarised the political climate without being able to agree between themselves on any major policy moves. By comparison, Mr. Ecevit has this year run a relatively tight ship.

At the same time the challenge to Kemalism has been mounting, from at least four separate directions. The National Salvation Party (NSP) under Mr. Necmettin Erbakan

has attempted to lead an Islamic revival. After some early success in the provinces it has apparently run out of steam, partly because of the lightweight nature of Mr. Erbakan himself, partly because the secularist policies of Ataturk have largely worked, and partly because the NSP has been outflanked by the far more militant and aggressive Nationalist Action Party.

This creation of a retired Colonel, Mr. Alparslan Turkes, has been compared in Turkish intelligence reports with the early Nazi party. Mr. Turkes would abolish parliament and replace it with a prime ministerial rule, by which the democracy as "the democracy of the employers," and "the cold capitalism of the Anglo Saxons," he called for a "third way."

His appeal to the national heritage of the Turks and to their previous great empires—he cites the Moghul Kingdoms in India—in practice has led to the first stirrings of racism of a sort not seen since the massacres of Armenians and Kurds earlier this century. Equally, his followers appear to have been benefiting from, if not actually inciting, the differences between the long co-existing Sunnis and Alevis. As for violence in the cities, neither Mr. Ecevit nor anyone else in authority makes any secret of his belief that the militant Right is mainly responsible.

If Islam and a version of national socialism represent two challenges to Kemalism, the third challenge comes from the Left. The Maoist and similar movements have been increasingly militant. But Mr. Ecevit may be more worried by increasing criticism from the pro-Moscow parties—the Turkish Workers' Party, TIP, and the still-banned Communist Party of Turkey, TKP.

They are strong in the union movement and in powerful professional organisations. The TKP at least has long supported Mr. Ecevit as the only alternative to the fascist threat it fears. But while long critical of Kemalism in general it is now increasingly critical of Mr. Ecevit in particular—for his refusal to capitalise on the support he had from the Left, for his "weakness" in tackling right-wing militants, for his economic policies, and for his countenancing "anti-democratic" measures of the sort which he consistently opposed when in opposition.

More specifically, he is criticised for failing to make the police a more effective force and to rid it and the intelligence services of NAP supporters who have infiltrated these bodies. Before the introduction of martial law he had been planning to make certain normal courts solely responsible for

political violence and more controversially to give the security services powers of arrest and search without warrant.

A fourth challenge to Kemalism comes from the West itself. Just as the U.S. opposed the mixed model of development applying in Turkey in the 1940s, so the West and in particular the International Monetary Funds have been bringing pressure for major changes in the economic field—and in particular for the running down of the state economic enterprises and the opening of the country to foreign investment.

In spite of recent talk in favour of foreign investment, when the U.S. Ambassador in Ankara was about to deliver a eulogy on the subject, the Minister of Finance, Mr. Ziya Muezzinoglu, had the paragraph in the speech removed, according to the Diplomat, a weekly newsletter from Ankara. As for the IMF, it has been at odds with Turkish Governments for the last 18 months, demanding the acceptance of an austerity programme but continually, in Turkish eyes, raising its demands. Its latest argument with Turkey has been about the release of the third tranche of the \$450m credits agreed in the spring. The IMF is arguing that Turkey has not kept to the letter of intent and is demanding a further devaluation of the Turkish Lira by around 30 per cent and a freeze on wages.

The tranche involved is a mere \$58m, but its symbolic importance is far greater as the IMF's good-bouquet-keeping seal is crucial for Turkey's attempts to attract fresh money to supplement the rescheduling of \$1.2bn worth of debts which it has so far arranged.

The banks have largely been voicing the same arguments as the IMF does in private—that Turkey has to take the well-worn classical measures, how-

ever harsh. But the resentment caused is immense with Mr. Ecevit openly criticising the IMF for failing to allow for the political consequences of its actions. Indeed, such is the resentment that there is a widespread belief that perhaps after all the IMF is only too well aware that the measures it calls for could cause Mr. Ecevit to fall like Mr. Mario Soares in Portugal. Further, those closest to Mr. Ecevit say that the West and in particular Britain have virtually made it clear that until Cyprus is solved—which means concessions from Turkey—fresh money may not be available.

With the Government believing that economic pressures have added to political violence which has ushered in martial law, there is some anguish about the West in the heart of a Government which in character is basically pro-West. It has re-opened the U.S. bases in Turkey, agreed to join the new NATO AWACS (airborne warning, system) and concentrated on negotiations with such bodies as the EEC, NATO and OECD. Thus even if it is demanding that it too should be allowed to share in the process of détente and improve its relations with the Soviet Union it is in general far from wishing to turn its back on the West.

It would in any case be hard for it to do so. Russia is Turkey's historic enemy. Moreover even if relations with Baghdad are, as usual, good, Turkey has a wary eye on Damascus and is disturbed by what could happen in Iran. Mr. Ecevit's Government has long made it clear that it would prefer a Government based on the people than one based on the Shah—not least because of fears in Ankara and reports in the Turkish Press that the Shah's secret service, SAVAK, has been active among Turkey's Kurds.

But for the moment such factors tend to unite the Turkish authorities rather than divide them. A man who has long made it his business to consult with the military—Mr. Ecevit thus has some chance of ensuring that by declaring martial law he has not stirred up against the "hornets' nest" which burst on the country in the early 1970s. The military have no wish to burn their fingers again as they then did by intervening openly in politics, and as far as one can tell, seem to prefer exercising power from the wings rather than from the centre of the stage. Their domestic prestige was only restored through Mr. Ecevit sending them to invade Cyprus in 1974. But whether this optimistic scenario will prevail depends largely on how quickly the economic situation can be tackled and the scale of debt is such that optimism in this area is hard to justify.



Mr. Alparslan Turkes: appeal to racism.

Second chance for Namibia

SOUTH AFRICA has now announced its conditional acceptance of UN plans to hold so-called independence elections in Namibia next year. It is a move that is open to a wide variety of interpretations, ranging from a cautious optimism that an internationally accepted Namibian settlement may now be in sight, to continuing pessimism and a profound scepticism of Pretoria's motives. All that can be said with any confidence is that the prospects for a settlement acceptable to the UN seem somewhat brighter now than last October, when the South Africans announced that they were going ahead with their own "internal" elections in Namibia in December, in defiance of the UN and of the five Western powers which have been trying to negotiate a settlement for nearly two years now. Pretoria merely said at the time that it would use its "best efforts" to persuade the "leaders" who emerged from these elections to consider ways of achieving international recognition.

'Best efforts'

These "best efforts" (a euphemism for the fact that Pretoria can ultimately dictate terms to the Windhoek politicians) turn out to have been more forceful than many people expected. Just before Christmas, the newly-elected assembly in Windhoek agreed in principle to UN supervised elections, albeit with some preconditions.

In turn, the South African Government has now written to Dr. Waldheim saying that it has "decided to co-operate in the expeditious implementation of Security Council Resolution 435," which covers plans for a UN supervised election. Although Pretoria attaches five preconditions to its acceptance, none of these seem in themselves incompatible with Resolution 435.

But among the preconditions

are a number of issues which could complicate future negotiations. These include an insistence that the election take place not later than September 30, 1979 and a demand that there be further consultations on the size and composition of the UN military force to be sent to Namibia.

In themselves, these and other outstanding issues need not be insuperable barriers to an international settlement. What matters is the willingness of the South Africans and the black African states which support Swapo, the Namibian nationalist movement, to reach a compromise.

Although South Africa's past conduct inevitably casts strong doubts on its motives, Pretoria has at least put on an appearance of a more co-operative stance towards the UN during the past few weeks. This may be due in part to the high turn-out in this month's election, when the pro-South African Democratic Turnhalle Alliance won 80 per cent of votes cast. The election proves nothing—it was boycotted by virtually every other party, including Swapo, and there have been allegations of voter intimidation. Nevertheless, it may have made Pretoria less worried about Swapo as an opponent in a UN poll.

Vulnerability

At the same time, the halt in oil shipments from Iran, which supplies South Africa with 90 per cent of its crude, has underlined the country's vulnerability to the sanctions which have been threatened if it does not go along with the UN on Namibia.

Certainly, South Africa seems at present in no mood for blustering defiance of the international community. Its past record suggests that it may merely be playing for time, but it is also possible Pretoria has realised that it now must work towards an accommodation with the UN on Namibia.

MEN AND MATTERS

Clean fingers at question time

With its unenviable record of bank and post office hold-ups—probably the highest in Europe—Sweden has just witnessed a coup with a difference, an armed robbery performed by a young man in a Father Christmas suit, complete with white beard. The police are not amused by suggestions that they look out for reindeer tracks to see if the SKr 60,000 are at the other end.

Sorting out which Claus to interview could, however, be a problem, and the Swedes might profit from reading an article in the current Police Review giving "guidance" to those embarking on a career as a detective. It is coincidentally illustrated with a picture of Father Christmas being menaced with a spotlight and a whip. The text, written by a Cheshire detective inspector, steers a novel course between popular psychology, Machiavelli, and Kojak.

It is unwise, argues the writer, to make the suspect too uncomfortable physically. "Barred windows are not appropriate." And the rooms should be "clean and tidy" with a restful colour scheme and carpets "in a plain colour."

In many ways it reads like a handbook for personnel officers: "The desk should never be positioned to come between the interrogator and his subject, as it represents officialdom." Dirty fingerprints are also not a good idea. Then comes a Dostoyevskian note: "To see the suspect and interrogator with tears in their eyes usually means a success story. Along with the flood of tears may come the flood of truth." Confession itself is "purgative of the soul," writes the policeman-philosopher, who, along with "slow motion techniques" and "computer-assisted video analysis," advises "sincere" pats on the shoulder and nicknames to break down the man. Interrogation techniques which Liddell



"I resent queuing for days to buy goods at last year's prices."

Towers would no doubt have appreciated.

"We would be happier," says Patricia Hewitt, head of the National Council for Civil Liberties, "if the police spent their time sticking to the judge's rules rather than trying to make their premises look like dentist's waiting rooms."

Stopping the rot

Converts of any kind often display a certain excess of zeal, and the Parti Quebecois government of René Lévesque seems no exception in its Francophone pursuit of linguistic purity. He has gone one better than the French. In future the word "stop" is to be expunged not only from the Quebecois lexicon but—at a cost of £50,000—from every "Arrest-Stop" sign in the province.

Even Quebec House in London pointed out that "stop" and "stopper" had been accepted in France since 1782. Such arguments cut no ice back home, where the imprimatur of L'Académie Française and Larousse is not enough.

A friendly gaffe

One episode in President Giscard's much-publicised Christmas globe-trotting remains unrecorded. I hear there was an unfortunate double entendre during the ceremonies marking Franco-Guinean reconciliation after 30 years of "misunderstanding."

Misunderstandings were finally cleared up in a sentimental speech by the Guinean President Sekou Toure. A man reckoned to keep incarcerated some 3,000 or 4,000 political prisoners, Sekou Toure confessed that he was seen by much of Europe as "a despot, a dictator—a savage without feelings or pity." Giscard, enthused Sekou Toure in the next breath, was "the moral partner we have always sought."

Blues for the U.S.

George Holmes, the perky new director of the National Dairy Council—"I like to think of myself as the brand manager for milk"—held a modest little Press conference yesterday. Modestly can, however, be taken too far. He spoke gleefully of the impending breakthrough for British cheese exports into a "major new market."

But, sorry, he couldn't say which, when or how. He also brimmed with enthusiasm for a major sponsorship he was on the verge of announcing... but, no, he mustn't say anything about that. I can reveal, if you are still reading, that the "breakthrough" can be expected in the U.S. and the cheese involved is Stilton. And while the NDC bubbles with enthusiasm, Unigate and Express Dairies are doing all the leg work.

The independent dairies are researching new outlets in what they say cautiously could develop into a most lucrative market. John Stockdale, chairman of the Stilton Cheese Makers' Association in Melton Mowbray, was delighted to hear the commercial big guns were

being aimed across the Atlantic. No doubt he will be glad of some backing in his eight-year battle with the U.S. dairy industry, which insists on using the Stilton name on what Mr. Stockdale sniffs dismisses as "American blue."

He has, however, made some progress. Even though the U.S. dairies are still marketing their product under the Stilton name, he recently won an injunction preventing them from packing the stuff in wrappers emblazoned with pictures of the Houses of Parliament and the Union Jack.

Twice bitten

The Transatlantic naff in Bermuda shorts is dead. In his place has arrived a person of dour scepticism and inelastic funds. An American couple I overheard in South Molton Street yesterday were perhaps typical.

Husband (inspecting a GLC plaque): "It says William Blake lived here. Do you believe that?"

Wife: "Naah."

Husband (doubtfully): "It does say 'Greater London Council'."

Wife (indicating the restaurant now occupying the poet's home): "Some people will do anything to pull customers."

Rising tide

Clearly someone at the Berlitz School of Languages is in sore need of a Private Tuition Crash Course. If nothing less than the Total Immersion course (price £1,153.44 for a fortnight) is felt to be necessary, the person who sent me the Berlitz price list had better hurry up; on it is typed "The Company anticipates that these prices will be superseded (sic) from January 1979."

Observer

The exception that could prove to be your rule.

THE FAMOUS GROUSE
FINEST SCOTCH WHISKY
Matthew Glang & Son Ltd.
Perth, Scotland

مكزامن الجھل

Quality in an age of change

BY ROBERT GIBBENS in Montreal



Ian Sinclair of Canadian Pacific.

(CS)

	Sales	Net income*
MacMillan Bloedel	1.7bn	38.3m
Abitibi Paper	1.04bn	36.2m
Domtar	1.0bn	26.8m
Consolidated Bathurst	869m	22.7m

* After extraordinary items.

In the western U.S. for this year. Dollar earned \$31m or \$82.75 a share, on revenues of \$59.1m.

Consumers naturally are worried about the possible effect on prices of the creation of new shares. But the unions are afraid that rationalization will cost jobs. So the Combines Branch of the Government has a difficult task.

It is as well to know that the Canadian Government in the interests of its external payments is committed to helping the forest industry to keep down its costs and to export more. The future of the lumber remains obscure, especially since analysts believe that there are more surprises to come.

Service, Samcine House, 303
Cricklewood Broadway, NW, 12
J. E. Sanger, 87 Bartholomew
Close, EC, 2.30. Stag Line, 1
Howard Street, North Shields
Tyne and Wear, 10.30. United
Tin Areas, 26 City Road, EC, 12
Vickers da Costa, Rectis House,
Kine William Street, EC, 11.
LUNCARTIME MUSIC, London
Organ recital at St. Stephen
Walbrook by Mr. David Pearson
at 12.30 pm.

agreb

Limited

Company, Limited
Company, Limited
Insurance Company
Insurance Company
the Kyowa Bank, Ltd.
Company, Limited
the Kyowa Bank, Ltd.

de Jijon & Bann, Ltd.



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Cricklewood Broadway, NW, 12.
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Agent Bank
The Tokai Bank, Limited

Companies and Markets

UK COMPANY NEWS

Dalgety sells Australian wineries to Seagram

Dalgety has sold its Australian wine and spirits division to Seagram (Australia), a subsidiary of Seagram Co. of Canada, which is one of the largest producers and marketers of distilled spirits and wines in the world.

The sale includes the Saltram, Stonefield and Ruxton wineries in South Australia plus the national liquor distribution business operated by Dalgety Trading and NZL Trading.

While neither group would reveal the cost of the deal the total package is thought to be worth £7m cash to Dalgety and includes the realisation of some of the stock and working capital of the division. The proceeds will be kept in Australia and will be available for expansion and additions to Dalgety's other activities in that country.

The move follows a total reappraisal of Dalgety's Australian activities carried out

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final, and the sub-divisions shown below are based mainly on last year's timetable.

Interim	Final	Future Dates
Tomkins (F. H.)	Jan. 4	
Bell Brothers	Jan. 11	
British China Clays	Jan. 11	

this year against a background of losses there in three of the past four years. The most important conclusion of the review was that there was a profitable role for the group in the country in the long term but

there was a number of activities which were unlikely to produce a return to match the risks. In the year to September 30, total capital employed in the region was cut by £18m.

The import and distribution of wines and spirits was a part of Dalgety's traditional rural merchandise business. In 1971 it was decided to progress into wine production through the acquisition of a South Australian winery and vineyards Stonefield and Saltram, were added to the division soon afterwards.

With taxation changes making wine stocks expensive to hold, over capacity and increased competition eroding margins, a strong marketing drive, was becoming necessary to increase market penetration. Seagram's move which significantly lifts its presence in the Australasian area follows its acquisition earlier this year of Glenlivet Distillers.

CU life bonus at record level

RECORD BONUS rates on with-profit life business have been declared by the Commercial Union Assurance Company for the three year period to December 31, 1978. CU is the first major life company to announce its bonus rates for 1978.

On individual life business, including the "Homemaker," "Wealthmaker" and "Profit-maker" policies, the rate for the triennium is lifted to 24.50 per cent per annum of the sum assured and attaching bonuses from £4.60 per cent—the rate declared at the end of 1975. The interim rate during this period had been kept at this latter rate.

On with-profit individual pension contracts, including "Pensionmaker," the policy for the self-employed and "Retirement," the contract for 25 per cent per annum of the basic pension and attaching pension bonuses. At the previous declaration, the rate was 25 per cent and the interim rate was increased to 25.50 per cent from July 1, 1977.

Increased bonus rates reflect the stronger financial position of the life fund compared with three years ago. Investment income has been particularly buoyant during this period resulting in part from the very heavy investment made in high yielding gilts.

However, on with-profit group pension schemes, the bonus rate remains at 22.50 per cent per annum calculated on pensions purchased. These contracts operate on a different system and this unchanged rate reflects the virtually unchanged yield return on long dated gilts.

Interim bonus rates from January 1, 1979, on all with-profit contracts remain at the same rate as has been declared.

'Yes' vote at Swan Hunter

SHAREHOLDERS at an EGM of the Swan Hunter Group in Newcastle-on-Tyne, yesterday took just two minutes to agree unanimously to accept proposals for a group restructuring.

Under the scheme there is to be a cash pay-out of between 130p and 145p a share and all the assets of the group will be transferred to a company called Gosforth Industrial Holdings.

There is to be a further extraordinary general meeting, also in Newcastle, on January 12, 1979 to finalise the plans after time has been given for dissenters to come forward.

However, Mr. Tom Melver, managing director, said after the meeting that in view of the votes already received in favour of the reorganisation, there is no danger that I know of the scheme not going through.

It would need more than 10 per cent of shareholders to object to the scheme for it to fail and this appeared unlikely said Mr. Melver.

Wrights Retail Grocers leaps to over £1.2m

Following the return to growth seen last time Wrights Retail Grocers achieved a sharp jump in taxable profit from £788,000 to £1,267,000 in the year to April 1, 1978. The company, which is a subsidiary of Cavendish Limited, has reported a VAT refund of £22.15m to £27.97m.

However there was a tax charge this time of £389,000 (credit £340,000) leaving the net balance down from £1,229,000 to £889,000.

Extraordinary credits amounted to £183,000 (debit £244,000) an ordinary dividend costing £888,000 (nil) was paid.

The ultimate holding company is Generale Occidentale.

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Six men are still missing and presumed killed. Meanwhile, rescue operations are continuing, it is stated.

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CURRENCIES, MONEY and GOLD

Dollar improves on trade figures

The dollar improved in the foreign exchange market yesterday afternoon following the announcement of a smaller US trade deficit in November than expected. The deficit of \$1.95bn was an improvement on October's figure of \$2.13bn, and well below the \$2.5bn forecast by some analysts. Central bank support for the dollar was evident, particularly before lunch, when the U.S. currency fell to a low point of DM 1.8100 against the D-mark and SwFr 1.6150 in terms of the Swiss franc.

Publication of the trade figures pushed the U.S. currency up to DM 1.8350 and it finished at DM 1.8300, compared with DM 1.8215 on Wednesday. Against the Swiss franc, the dollar rose to SwFr 1.6325, before closing at SwFr 1.6302, compared with SwFr 1.6155.

The dollar's trade-weighted depreciation, as calculated by Morgan Guaranty of New York, was unchanged at 2.7 per cent. Sterling's index on Bank of England figures, was also unchanged at 63.8, after touching 63.9 at noon, and opening at 63.8. The pound opened at \$2.0370, 2.0380, and rose to a high point of \$2.0455 in the morning. The afternoon was 2.0300, and it closed at \$2.0300-2.0300, a fall of 50 points on the day.

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THE POUND SPOT AND FORWARD

Dec. 28	Bank Rate	Day's Spread	Close	One month	Three months	Six months	One year
U.S. \$	2.0370-2.0380	2.0370-2.0380	2.0370	2.0370	2.0370	2.0370	2.0370
Canadian \$	2.0370-2.0380	2.0370-2.0380	2.0370	2.0370	2.0370	2.0370	2.0370
Swiss Fr.	1.6150-1.6160	1.6150-1.6160	1.6150	1.6150	1.6150	1.6150	1.6150
Deutsche M.	1.8100-1.8110	1.8100-1.8110	1.8100	1.8100	1.8100	1.8100	1.8100
Japanese Yen	161.50-161.60	161.50-161.60	161.50	161.50	161.50	161.50	161.50
Italian Lira	203.70-203.80	203.70-203.80	203.70	203.70	203.70	203.70	203.70
Spanish Ptas.	166.50-166.60	166.50-166.60	166.50	166.50	166.50	166.50	166.50
Portuguese Esc.	200.00-200.10	200.00-200.10	200.00	200.00	200.00	200.00	200.00
Belgian Franc	33.33-33.34	33.33-33.34	33.33	33.33	33.33	33.33	33.33
Dutch Guilder	3.76-3.77	3.76-3.77	3.76	3.76	3.76	3.76	3.76
French Franc	6.55-6.56	6.55-6.56	6.55	6.55	6.55	6.55	6.55
Irish Pounds	7.88-7.89	7.88-7.89	7.88	7.88	7.88	7.88	7.88
Scottish Pounds	7.88-7.89	7.88-7.89	7.88	7.88	7.88	7.88	7.88
Welsh Pounds	7.88-7.89	7.88-7.89	7.88	7.88	7.88	7.88	7.88
Yugoslav Dinar	13.63-13.64	13.63-13.64	13.63	13.63	13.63	13.63	13.63
Czech Koruna	166.67-166.68	166.67-166.68	166.67	166.67	166.67	166.67	166.67
Slovak Koruna	166.67-166.68	166.67-166.68	166.67	166.67	166.67	166.67	166.67
Hungarian Forint	200.00-200.01	200.00-200.01	200.00	200.00	200.00	200.00	200.00

NEW YORK—DOW JONES

The sharp rise in Bullion prices overnight as speculators hedged

Some diamond speculatives attracted buyer attention as traders sought positions in advance of the next Ashton progress report, expected early in January. CRA, up 10 cents the previous day, was steady at \$23.60 although its Ashton joint

Uranium: were generally higher. Kathleen Investments added 10 cents at A\$2.75 and EZ Industries 3 cents at A\$2.95. Small gains occurred in the Oil sector, while among Banks, ANZ strengthened 15 cents to

There was support for Food and Drink stocks, selected Properties, Retailers and Insurances. David Jones improved 5 cents to A\$1.30 and Reckitt and Coleman 5 cents to A\$2.55, but BHP strong market of late on its Porteus Three oil find, slipped 2 cents to A\$6.96.

Johannesburg
 Golds mainly improved afresh
 n moderate trading on the
 stronger Bullion price.
 Mining Financials were harder,
 shadowing the trend in gold-pro-

extended recently
rule 17 cents h

Dec. 27	Price Yen	+ or -	Div. %	Yld. %
Local 27	258	-4	14	8.0
Local 28	495	-4	18	1.8
Local 29	995	+12	22	1.4
Local 30	580	-5	18	1.8
Local 31	580	-5	15	1.1
Local 32	580	-5	15	1.1
Local 33	580	-5	15	1.1
Local 34	580	-5	15	1.1
Local 35	580	-5	15	1.1
Local 36	580	-5	15	1.1
Local 37	580	-5	15	1.1
Local 38	580	-5	15	1.1
Local 39	580	-5	15	1.1
Local 40	580	-5	15	1.1
Local 41	580	-5	15	1.1
Local 42	580	-5	15	1.1
Local 43	580	-5	15	1.1
Local 44	580	-5	15	1.1
Local 45	580	-5	15	1.1
Local 46	580	-5	15	1.1
Local 47	580	-5	15	1.1
Local 48	580	-5	15	1.1
Local 49	580	-5	15	1.1
Local 50	580	-5	15	1.1
Local 51	580	-5	15	1.1
Local 52	580	-5	15	1.1
Local 53	580	-5	15	1.1
Local 54	580	-5	15	1.1
Local 55	580	-5	15	1.1
Local 56	580	-5	15	1.1
Local 57	580	-5	15	1.1
Local 58	580	-5	15	1.1
Local 59	580	-5	15	1.1
Local 60	580	-5	15	1.1
Local 61	580	-5	15	1.1
Local 62	580	-5	15	1.1
Local 63	580	-5	15	1.1
Local 64	580	-5	15	1.1
Local 65	580	-5	15	1.1
Local 66	580	-5	15	1.1
Local 67	580	-5	15	1.1
Local 68	580	-5	15	1.1
Local 69	580	-5	15	1.1
Local 70	580	-5	15	1.1
Local 71	580	-5	15	1.1
Local 72	580	-5	15	1.1
Local 73	580	-5	15	1.1
Local 74	580	-5	15	1.1
Local 75	580	-5	15	1.1
Local 76	580	-5	15	1.1
Local 77	580	-5	15	1.1
Local 78	580	-5	15	1.1
Local 79	580	-5	15	1.1
Local 80	580	-5	15	1.1
Local 81	580	-5	15	1.1
Local 82	580	-5	15	1.1
Local 83	580	-5	15	1.1
Local 84	580	-5	15	1.1
Local 85	580	-5	15	1.1
Local 86	580	-5	15	1.1
Local 87	580	-5	15	1.1
Local 88	580	-5	15	1.1
Local 89	580	-5	15	1.1
Local 90	580	-5	15	1.1
Local 91	580	-5	15	1.1
Local 92	580	-5	15	1.1
Local 93	580	-5	15	1.1
Local 94	580	-5	15	1.1
Local 95	580	-5	15	1.1
Local 96	580	-5	15	1.1
Local 97	580	-5	15	1.1
Local 98	580	-5	15	1.1
Local 99	580	-5	15	1.1
Local 100	580	-5	15	1.1

Minimum	1,146	8	5.5	
1st Quartile	1,670	10	5.0	
Median	2,220	12	4.0	
3rd Quartile	2,800	14	3.5	
Maximum	3,500	15	3.0	
1st Part Cost	965	-3	22	2.5
2nd Part Cost	943	-9	22	5.5
3rd Part Cost	915	-18	15	6.5
4th Part Cost	880	-25	10	7.5
5th Part Cost	850	-30	5	8.5
6th Part Cost	820	-35	110	1.6
7th Part Cost	790	-40	11	2.6
8th Part Cost	760	-45	11	3.6
9th Part Cost	730	-50	11	4.6
10th Part Cost	700	-55	11	5.6
11th Part Cost	670	-60	11	6.6
12th Part Cost	640	-65	11	7.6
13th Part Cost	610	-70	11	8.6
14th Part Cost	580	-75	11	9.6
15th Part Cost	550	-80	11	10.6
16th Part Cost	520	-85	11	11.6
17th Part Cost	490	-90	11	12.6
18th Part Cost	460	-95	11	13.6
19th Part Cost	430	-100	11	14.6
20th Part Cost	400	-105	11	15.6
21st Part Cost	370	-110	11	16.6
22nd Part Cost	340	-115	11	17.6
23rd Part Cost	310	-120	11	18.6
24th Part Cost	280	-125	11	19.6
25th Part Cost	250	-130	11	20.6
26th Part Cost	220	-135	11	21.6
27th Part Cost	190	-140	11	22.6
28th Part Cost	160	-145	11	23.6
29th Part Cost	130	-150	11	24.6
30th Part Cost	100	-155	11	25.6
31st Part Cost	70	-160	11	26.6
32nd Part Cost	40	-165	11	27.6
33rd Part Cost	10	-170	11	28.6
34th Part Cost	-20	-175	11	29.6
35th Part Cost	-50	-180	11	30.6
36th Part Cost	-80	-185	11	31.6
37th Part Cost	-110	-190	11	32.6
38th Part Cost	-140	-195	11	33.6
39th Part Cost	-170	-200	11	34.6
40th Part Cost	-200	-205	11	35.6
41st Part Cost	-230	-210	11	36.6
42nd Part Cost	-260	-215	11	37.6
43rd Part Cost	-290	-220	11	38.6
44th Part Cost	-320	-225	11	39.6
45th Part Cost	-350	-230	11	40.6
46th Part Cost	-380	-235	11	41.6
47th Part Cost	-410	-240	11	42.6
48th Part Cost	-440	-245	11	43.6
49th Part Cost	-470	-250	11	44.6
50th Part Cost	-500	-255	11	45.6
51st Part Cost	-530	-260	11	46.6
52nd Part Cost	-560	-265	11	47.6
53rd Part Cost	-590	-270	11	48.6
54th Part Cost	-620	-275	11	49.6
55th Part Cost	-650	-280	11	50.6
56th Part Cost	-680	-285	11	51.6
57th Part Cost	-710	-290	11	52.6
58th Part Cost	-740	-295	11	53.6
59th Part Cost	-770	-300	11	54.6
60th Part Cost	-800	-305	11	55.6
61st Part Cost	-830	-310	11	56.6
62nd Part Cost	-860	-315	11	57.6
63rd Part Cost	-890	-320	11	58.6
64th Part Cost	-920	-325	11	59.6
65th Part Cost	-950	-330	11	60.6
66th Part Cost	-980	-335	11	61.6
67th Part Cost	-1,010	-340	11	62.6
68th Part Cost	-1,040	-345	11	63.6
69th Part Cost	-1,070	-350	11	64.6
70th Part Cost	-1,100	-355	11	65.6
71st Part Cost	-1,130	-360	11	66.6
72nd Part Cost	-1,160	-365	11	67.6
73rd Part Cost	-1,190	-370	11	68.6
74th Part Cost	-1,220	-375	11	69.6
75th Part Cost	-1,250	-380	11	70.6
76th Part Cost	-1,280	-385	11	71.6
77th Part Cost	-1,310	-390	11	72.6
78th Part Cost	-1,340	-395	11	73.6
79th Part Cost	-1,370	-400	11	74.6
80th Part Cost	-1,400	-405	11	75.6
81st Part Cost	-1,430	-410	11	76.6
82nd Part Cost	-1,460	-415	11	77.6
83rd Part Cost	-1,490	-420	11	78.6
84th Part Cost	-1,520	-425	11	79.6
85th Part Cost	-1,550	-430	11	80.6
86th Part Cost	-1,580	-435	11	81.6
87th Part Cost	-1,610	-440	11	82.6
88th Part Cost	-1,640	-445	11	83.6
89th Part Cost	-1,670	-450	11	84.6
90th Part Cost	-1,700	-455	11	85.6
91st Part Cost	-1,730	-460	11	86.6
92nd Part Cost	-1,760	-465	11	87.6
93rd Part Cost	-1,790	-470	11	88.6
94th Part Cost	-1,820	-475	11	89.6
95th Part Cost	-1,850	-480	11	90.6
96th Part Cost	-1,880	-485	11	91.6
97th Part Cost	-1,910	-490	11	92.6
98th Part Cost	-1,940	-495	11	93.6
99th Part Cost	-1,970	-500	11	94.6
100th Part Cost	-2,000	-505	11	95.6
101st Part Cost	-2,030	-510	11	96.6
102nd Part Cost	-2,060	-515	11	97.6
103rd Part Cost	-2,090	-520	11	98.6
104th Part Cost	-2,120	-525	11	99.6
105th Part Cost	-2,150	-530	11	100.6
106th Part Cost	-2,180	-535	11	101.6
107th Part Cost	-2,210	-540	11	102.6
108th Part Cost	-2,240	-545	11	103.6
109th Part Cost	-2,270	-550	11	104.6
110th Part Cost	-2,300	-555	11	105.6
111th Part Cost	-2,330	-560	11	106.6
112th Part Cost	-2,360	-565	11	107.6
113th Part Cost	-2,390	-570	11	108.6
114th Part Cost	-2,420	-575	11	109.6
115th Part Cost	-2,450	-580	11	110.6
116th Part Cost	-2,480	-585	11	111.6
117th Part Cost	-2,510	-590	11	112.6
118th Part Cost	-2,540	-595	11	113.6
119th Part Cost	-2,570	-600	11	114.6
120th Part Cost	-2,600	-605	11	115.6
121st Part Cost	-2,630	-610	11	116.6
122nd Part Cost	-2,660	-615	11	117.6
123rd Part Cost	-2,690	-620	11	118.6
124th Part Cost	-2,720	-625	11	119.6
125th Part Cost	-2,750	-630	11	120.6
126th Part Cost	-2,780	-635	11	121.6
127th Part Cost	-2,810	-640	11	122.6
128th Part Cost	-2,840	-645	11	123.6
129th Part Cost	-2,870	-650	11	124.6
130th Part Cost	-2,900	-655	11	125.6
131st Part Cost	-2,930	-660	11	126.6
132nd Part Cost	-2,960	-665	11	127.6
133rd Part Cost	-2,990	-670	11	128.6
134th Part Cost	-3,020	-675	11	129.6
135th Part Cost	-3,050	-680	11	130.6
136th Part Cost	-3,080	-685	11	131.6
137th Part Cost	-3,110	-690	11	132.6
138th Part Cost	-3,140	-695	11	133.6
139th Part Cost	-3,170	-700	11	134.6
140th Part Cost	-3,200	-705	11	135.6
141st Part Cost	-3,230	-710	11	136.6
142nd Part Cost	-3,260	-715	11	137.6
143rd Part Cost	-3,290	-720	11	138.6
144th Part Cost	-3,320	-725	11	139.6
145th Part Cost	-3,350	-730	11	140.6
146th Part Cost	-3,380	-735	11	141.6
147th Part Cost	-3,410	-740	11	142.6
148th Part Cost	-3,440	-745	11	143.6
149th Part Cost	-3,470	-750	11	144.6
150th Part Cost	-3,500	-755	11	145.6
151st Part Cost	-3,530	-760	11	146.6
152nd Part Cost	-3,560	-765	11	147.6
153rd Part Cost	-3,590	-770	11	148.6
154th Part Cost	-3,620	-775	11	149.6
155th Part Cost	-3,650	-780	11	150.6
156th Part Cost	-3,680	-785	11	151.6
157th Part Cost	-3,710	-790	11	152.6
158th Part Cost	-3,740	-795	11	153.6
159th Part Cost	-3,770	-800	11	154.6
160th Part Cost	-3,800	-805	11	155.6
161st Part Cost	-3,830	-810	11	156.6
162nd Part Cost	-3,860	-815	11	157.6
163rd Part Cost	-3,890	-820	11	158.6
164th Part Cost	-3,920	-825	11	159.6
165th Part Cost	-3,950	-830	11	160.6
166th Part Cost	-3,980	-835	11	161.6
167th Part Cost	-4,010	-840	11	162.6
168th Part Cost	-4,040	-845	11	163.6
169th Part Cost	-4,070	-850	11	164.6
170th Part Cost	-4,100	-855	11	165.6
171st Part Cost	-4,130	-860	11	166.6
172nd Part Cost	-4,160	-865	11	167.6
173rd Part Cost	-4,190	-870	11	168.6
174th Part Cost	-4,220	-875	11	169.6
175th Part Cost	-4,250	-880	11	170.6
176th Part Cost	-4,280	-885	11	171.6
177th Part Cost	-4,310	-890	11	172.6
178th Part Cost	-4,340	-895	11	173.6
179th Part Cost	-4,370	-900	11	174.6
180th Part Cost	-4,400	-905	11	175.6
181st Part Cost	-4,430	-910	11	176.6
182nd Part Cost	-4,460	-915	11	177.6
183rd Part Cost	-4,490	-920	11	178.6
184th Part Cost	-4,520	-925	11	179.6
185th Part Cost	-4,550	-930	11	180.6
186th Part Cost	-4,580	-935	11	181.6
187th Part Cost	-4,610	-940	11	182.6
188th Part Cost	-4,640	-945	11	183.6
189th Part Cost	-4,670	-950	11	184.6
190th Part Cost	-4,700	-955	11	185.6
191st Part Cost	-4,730	-960	11	186.6
192nd Part Cost	-4,760	-965	11	187.6
193rd Part Cost	-4,790	-970	11	188.6
194th Part Cost	-4,820	-975	11	189.6
195th Part Cost	-4,850	-980	11	190.6
196th Part Cost	-4,880	-985	11	191.6
197th Part Cost	-4,910	-990	11	192.6
198th Part Cost	-4,940	-995	11	193.6
199th Part Cost	-4,970	-1,000	11	194.6
200th Part Cost	-5,000	-1,005	11	195.6
201st Part Cost	-5,030	-1,010	11	196.6
202nd Part Cost	-5,060	-1,015	11	197.6
203rd Part Cost	-5,090	-1,020	11	198.6
204th Part Cost	-5,120	-1,025	11	199.6
205th Part Cost	-5,150	-1,030	11	200.6
206th Part Cost	-5,180	-1,035	11	201.6
207th Part Cost	-5,210	-1,040	11	202.6
208th Part Cost	-5,240	-1,045	11	203.6
209th Part Cost	-5,270	-1,050	11	204.6
210th Part Cost	-5,300	-1,055	11	205.6
211st Part Cost	-5,330	-1,060	11	206.6
212nd Part Cost	-5,360	-1,065	11	207.6
213th Part Cost	-5,390	-1,070	11	208.6
214th Part Cost	-5,420	-1,075	11	209.6
215th Part Cost	-5,450	-1,080	11	210.6
216th Part Cost	-5,480	-1,085	11	211.6
217th Part Cost	-5,510	-1,090	11	212.6
218th Part Cost	-5,540	-1,095	11	213.6
219th Part Cost	-5,570	-1,100	11	214.6
220th Part Cost	-5,600	-1,105	11	215.6
221st Part Cost	-5,630	-1,110	11	216.6
222nd Part Cost	-5,660	-1,115	11	217.6
223rd Part Cost	-5,690	-1,120	11	218.6
224th Part Cost	-5,720	-1,125	11	219.6
225th Part Cost	-5,750	-1,130	11	220.6
226th Part Cost	-5,780	-1,135	11	221.6
227th Part Cost	-5,810	-1,140	11	222.6
228th Part Cost	-5,840	-1,145	11	223.6
229th Part Cost	-5,870	-1,150	11	224.6
230th Part Cost	-5,900	-1,155	11	225.6
231st Part Cost	-5,930	-1,160	11	226.6
232nd Part Cost	-5,960	-1,165	11	227.6
233rd Part Cost	-5,990	-1,170	11	228.6
234th Part Cost	-6,020	-1,175	11	229.6
235th Part Cost	-6,050	-1,180	11	230.6
236th Part Cost	-6,080	-1,185	11	231.6
237th Part Cost	-6,110	-1,190	11	232.6
238th Part Cost	-6,140	-1,195	11	233.6
239th Part Cost	-6,170	-1,200	11	234.6
240th Part Cost	-6,200	-1,205	11	235.6
241st Part Cost	-6,230	-1,210	11	236.6
242nd Part Cost	-6,260	-1,215	11	237.6
243rd Part Cost	-6,290	-1,220	11	238.6
244th Part Cost	-6,320	-1,225	11	239.6
245th Part Cost	-6,350	-1,230	11	240.6
246th Part Cost	-6,380	-1,235	11	241.6
247th Part Cost	-6,410	-1,240	11	242.6
248th Part Cost	-6,440	-1,245	11	243.6
249th Part Cost	-6,470	-1,250	11	244.6
250th Part Cost				

Dec. 31	Price	+ or -
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Minimum	1,146	8	5.5	
1st Quartile	1,670	10	5.0	
Median	2,220	12	4.0	
3rd Quartile	2,800	14	3.5	
Maximum	3,500	15	3.0	
1st Part Cost	965	-3	22	2.5
2nd Part Cost	943	-9	22	5.5
3rd Part Cost	915	-18	15	6.5
4th Part Cost	880	-25	10	7.5
5th Part Cost	850	-30	5	8.5
6th Part Cost	820	-35	110	1.6
7th Part Cost	790	-40	11	2.6
8th Part Cost	760	-45	11	3.6
9th Part Cost	730	-50	11	4.6
10th Part Cost	700	-55	11	5.6
11th Part Cost	670	-60	11	6.6
12th Part Cost	640	-65	11	7.6
13th Part Cost	610	-70	11	8.6
14th Part Cost	580	-75	11	9.6
15th Part Cost	550	-80	11	10.6
16th Part Cost	520	-85	11	11.6
17th Part Cost	490	-90	11	12.6
18th Part Cost	460	-95	11	13.6
19th Part Cost	430	-100	11	14.6
20th Part Cost	400	-105	11	15.6
21st Part Cost	370	-110	11	16.6
22nd Part Cost	340	-115	11	17.6
23rd Part Cost	310	-120	11	18.6
24th Part Cost	280	-125	11	19.6
25th Part Cost	250	-130	11	20.6
26th Part Cost	220	-135	11	21.6
27th Part Cost	190	-140	11	22.6
28th Part Cost	160	-145	11	23.6
29th Part Cost	130	-150	11	24.6
30th Part Cost	100	-155	11	25.6
31st Part Cost	70	-160	11	26.6
32nd Part Cost	40	-165	11	27.6
33rd Part Cost	10	-170	11	28.6
34th Part Cost	-20	-175	11	29.6
35th Part Cost	-50	-180	11	30.6
36th Part Cost	-80	-185	11	31.6
37th Part Cost	-110	-190	11	32.6
38th Part Cost	-140	-195	11	33.6
39th Part Cost	-170	-200	11	34.6
40th Part Cost	-200	-205	11	35.6
41st Part Cost	-230	-210	11	36.6
42nd Part Cost	-260	-215	11	37.6
43rd Part Cost	-290	-220	11	38.6
44th Part Cost	-320	-225	11	39.6
45th Part Cost	-350	-230	11	40.6
46th Part Cost	-380	-235	11	41.6
47th Part Cost	-410	-240	11	42.6
48th Part Cost	-440	-245	11	43.6
49th Part Cost	-470	-250	11	44.6
50th Part Cost	-500	-255	11	45.6
51st Part Cost	-530	-260	11	46.6
52nd Part Cost	-560	-265	11	47.6
53rd Part Cost	-590	-270	11	48.6
54th Part Cost	-620	-275	11	49.6
55th Part Cost	-650	-280	11	50.6
56th Part Cost	-680	-285	11	51.6
57th Part Cost	-710	-290	11	52.6
58th Part Cost	-740	-295	11	53.6
59th Part Cost	-770	-300	11	54.6
60th Part Cost	-800	-305	11	55.6
61st Part Cost	-830	-310	11	56.6
62nd Part Cost	-860	-315	11	57.6
63rd Part Cost	-890	-320	11	58.6
64th Part Cost	-920	-325	11	59.6
65th Part Cost	-950	-330	11	60.6
66th Part Cost	-980	-335	11	61.6
67th Part Cost	-1,010	-340	11	62.6
68th Part Cost	-1,040	-345	11	63.6
69th Part Cost	-1,070	-350	11	64.6
70th Part Cost	-1,100	-355	11	65.6
71st Part Cost	-1,130	-360	11	66.6
72nd Part Cost	-1,160	-365	11	67.6
73rd Part Cost	-1,190	-370	11	68.6
74th Part Cost	-1,220	-375	11	69.6
75th Part Cost	-1,250	-380	11	70.6
76th Part Cost	-1,280	-385	11	71.6
77th Part Cost	-1,310	-390	11	72.6
78th Part Cost	-1,340	-395	11	73.6
79th Part Cost	-1,370	-400	11	74.6
80th Part Cost	-1,400	-405	11	75.6
81st Part Cost	-1,430	-410	11	76.6
82nd Part Cost	-1,460	-415	11	77.6
83rd Part Cost	-1,490	-420	11	78.6
84th Part Cost	-1,520	-425	11	79.6
85th Part Cost	-1,550	-430	11	80.6
86th Part Cost	-1,580	-435	11	81.6
87th Part Cost	-1,610	-440	11	82.6
88th Part Cost	-1,640	-445	11	83.6
89th Part Cost	-1,670	-450	11	84.6
90th Part Cost	-1,700	-455	11	85.6
91st Part Cost	-1,730	-460	11	86.6
92nd Part Cost	-1,760	-465	11	87.6
93rd Part Cost	-1,790	-470	11	88.6
94th Part Cost	-1,820	-475	11	89.6
95th Part Cost	-1,850	-480	11	90.6
96th Part Cost	-1,880	-485	11	91.6
97th Part Cost	-1,910	-490	11	92.6
98th Part Cost	-1,940	-495	11	93.6
99th Part Cost	-1,970	-500	11	94.6
100th Part Cost	-2,000	-505	11	95.6
101st Part Cost	-2,030	-510	11	96.6
102nd Part Cost	-2,060	-515	11	97.6
103rd Part Cost	-2,090	-520	11	98.6
104th Part Cost	-2,120	-525	11	99.6
105th Part Cost	-2,150	-530	11	100.6
106th Part Cost	-2,180	-535	11	101.6
107th Part Cost	-2,210	-540	11	102.6
108th Part Cost	-2,240	-545	11	103.6
109th Part Cost	-2,270	-550	11	104.6
110th Part Cost	-2,300	-555	11	105.6
111th Part Cost	-2,330	-560	11	106.6
112th Part Cost	-2,360	-565	11	107.6
113th Part Cost	-2,390	-570	11	108.6
114th Part Cost	-2,420	-575	11	109.6
115th Part Cost	-2,450	-580	11	110.6
116th Part Cost	-2,480	-585	11	111.6
117th Part Cost	-2,510	-590	11	112.6
118th Part Cost	-2,540	-595	11	113.6
119th Part Cost	-2,570	-600	11	114.6
120th Part Cost	-2,600	-605	11	115.6
121st Part Cost	-2,630	-610	11	116.6
122nd Part Cost	-2,660	-615	11	117.6
123rd Part Cost	-2,690	-620	11	118.6
124th Part Cost	-2,720	-625	11	119.6
125th Part Cost	-2,750	-630	11	120.6
126th Part Cost	-2,780	-635	11	121.6
127th Part Cost	-2,810	-640	11	122.6
128th Part Cost	-2,840	-645	11	123.6
129th Part Cost	-2,870	-650	11	124.6
130th Part Cost	-2,900	-655	11	125.6
131st Part Cost	-2,930	-660	11	126.6
132nd Part Cost	-2,960	-665	11	127.6
133rd Part Cost	-2,990	-670	11	128.6
134th Part Cost	-3,020	-675	11	129.6
135th Part Cost	-3,050	-680	11	130.6
136th Part Cost	-3,080	-685	11	131.6
137th Part Cost	-3,110	-690	11	132.6
138th Part Cost	-3,140	-695	11	133.6
139th Part Cost	-3,170	-700	11	134.6
140th Part Cost	-3,200	-705	11	135.6
141st Part Cost	-3,230	-710	11	136.6
142nd Part Cost	-3,260	-715	11	137.6
143rd Part Cost	-3,290	-720	11	138.6
144th Part Cost	-3,320	-725	11	139.6
145th Part Cost	-3,350	-730	11	140.6
146th Part Cost	-3,380	-735	11	141.6
147th Part Cost	-3,410	-740	11	142.6
148th Part Cost	-3,440	-745	11	143.6
149th Part Cost	-3,470	-750	11	144.6
150th Part Cost	-3,500	-755	11	145.6
151st Part Cost	-3,530	-760	11	146.6
152nd Part Cost	-3,560	-765	11	147.6
153rd Part Cost	-3,590	-770	11	148.6
154th Part Cost	-3,620	-775	11	149.6
155th Part Cost	-3,650	-780	11	150.6
156th Part Cost	-3,680	-785	11	151.6
157th Part Cost	-3,710	-790	11	152.6
158th Part Cost	-3,740	-795	11	153.6
159th Part Cost	-3,770	-800	11	154.6
160th Part Cost	-3,800	-805	11	155.6
161st Part Cost	-3,830	-810	11	156.6
162nd Part Cost	-3,860	-815	11	157.6
163rd Part Cost	-3,890	-820	11	158.6
164th Part Cost	-3,920	-825	11	159.6
165th Part Cost	-3,950	-830	11	160.6
166th Part Cost	-3,980	-835	11	161.6
167th Part Cost	-4,010	-840	11	162.6
168th Part Cost	-4,040	-845	11	163.6
169th Part Cost	-4,070	-850	11	164.6
170th Part Cost	-4,100	-855	11	165.6
171st Part Cost	-4,130	-860	11	166.6
172nd Part Cost	-4,160	-865	11	167.6
173rd Part Cost	-4,190	-870	11	168.6
174th Part Cost	-4,220	-875	11	169.6
175th Part Cost	-4,250	-880	11	170.6
176th Part Cost	-4,280	-885	11	171.6
177th Part Cost	-4,310	-890	11	172.6
178th Part Cost	-4,340	-895	11	173.6
179th Part Cost	-4,370	-900	11	174.6
180th Part Cost	-4,400	-905	11	175.6
181st Part Cost	-4,430	-910	11	176.6
182nd Part Cost	-4,460	-915	11	177.6
183rd Part Cost	-4,490	-920	11	178.6
184th Part Cost	-4,520	-925	11	179.6
185th Part Cost	-4,550	-930	11	180.6
186th Part Cost	-4,580	-935	11	181.6
187th Part Cost	-4,610	-940	11	182.6
188th Part Cost	-4,640	-945	11	183.6
189th Part Cost	-4,670	-950	11	184.6
190th Part Cost	-4,700	-955	11	185.6
191st Part Cost	-4,730	-960	11	186.6
192nd Part Cost	-4,760	-965	11	187.6
193rd Part Cost	-4,790	-970	11	188.6
194th Part Cost	-4,820	-975	11	189.6
195th Part Cost	-4,850	-980	11	190.6
196th Part Cost	-4,880	-985	11	191.6
197th Part Cost	-4,910	-990	11	192.6
198th Part Cost	-4,940	-995	11	193.6
199th Part Cost	-4,970	-1,000	11	194.6
200th Part Cost	-5,000	-1,005	11	195.6
201st Part Cost	-5,030	-1,010	11	196.6
202nd Part Cost	-5,060	-1,015	11	197.6
203rd Part Cost	-5,090	-1,020	11	198.6
204th Part Cost	-5,120	-1,025	11	199.6
205th Part Cost	-5,150	-1,030	11	200.6
206th Part Cost	-5,180	-1,035	11	201.6
207th Part Cost	-5,210	-1,040	11	202.6
208th Part Cost	-5,240	-1,045	11	203.6
209th Part Cost	-5,270	-1,050	11	204.6
210th Part Cost	-5,300	-1,055	11	205.6
211st Part Cost	-5,330	-1,060	11	206.6
212nd Part Cost	-5,360	-1,065	11	207.6
213th Part Cost	-5,390	-1,070	11	208.6
214th Part Cost	-5,420	-1,075	11	209.6
215th Part Cost	-5,450	-1,080	11	210.6
216th Part Cost	-5,480	-1,085	11	211.6
217th Part Cost	-5,510	-1,090	11	212.6
218th Part Cost	-5,540	-1,095	11	213.6
219th Part Cost	-5,570	-1,100	11	214.6
220th Part Cost	-5,600	-1,105	11	215.6
221st Part Cost	-5,630	-1,110	11	216.6
222nd Part Cost	-5,660	-1,115	11	217.6
223rd Part Cost	-5,690	-1,120	11	218.6
224th Part Cost	-5,720	-1,125	11	219.6
225th Part Cost	-5,750	-1,130	11	220.6
226th Part Cost	-5,780	-1,135	11	221.6
227th Part Cost	-5,810	-1,140	11	222.6
228th Part Cost	-5,840	-1,145	11	223.6
229th Part Cost	-5,870	-1,150	11	224.6
230th Part Cost	-5,900	-1,155	11	225.6
231st Part Cost	-5,930	-1,160	11	226.6
232nd Part Cost	-5,960	-1,165	11	227.6
233rd Part Cost	-5,990	-1,170	11	228.6
234th Part Cost	-6,020	-1,175	11	229.6
235th Part Cost	-6,050	-1,180	11	230.6
236th Part Cost	-6,080	-1,185	11	231.6
237th Part Cost	-6,110	-1,190	11	232.6
238th Part Cost	-6,140	-1,195	11	233.6
239th Part Cost	-6,170	-1,200	11	234.6
240th Part Cost	-6,200	-1,205	11	235.6
241st Part Cost	-6,230	-1,210	11	236.6
242nd Part Cost	-6,260	-1,215	11	237.6
243rd Part Cost	-6,290	-1,220	11	238.6
244th Part Cost	-6,320	-1,225	11	239.6
245th Part Cost	-6,350	-1,230	11	240.6
246th Part Cost	-6,380	-1,235	11	241.6
247th Part Cost	-6,410	-1,240	11	242.6
248th Part Cost	-6,440	-1,245	11	243.6
249th Part Cost	-6,470	-1,250	11	244.6
250th Part Cost				

286	2	2.6	Hollola	57.50	- 1.75
30	4	4.6	Hordano	34	
52.5 + 1.5			Olara	70	50
378	16	4.1	Papelera Reunidas	47	+ 3
120	5	6.1	Perichib	112	
63	4		Petroles	127	5.3
260	2	2.75	Serie Papelera	33	
59	4	4.5	Snos	145	
156	1	5.2	Sogefas	48.50	+ 0.50
64.0	5	2.8	Telefonos	63	- 0.50
55.0 + 0.5			Tras Hostench	71	4
76	1	6	Tubos	127	
			Union Elec	63.75	+ 2.5

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High prices cheer peanut growers

BY CHRISTOPHER SHERWELL

BY ALAN JENKS

price for export markets is \$250 a ton, but farmers have been getting more than this because of good overseas demand for peanuts.

Although there isn't any specific world price for peanuts due to different grades and qualities, Mr. Frank McGill, a peanut specialist at the University of Georgia, said that world prices have been running at about 90 per cent of the \$420-per-ton domestic level.

Competition

Mr. McGill and other peanut

experts say the main reason for the strong foreign demand for American peanuts has been the failure of India, the world's largest peanut grower, to do any exporting in 1978.

The U.S. also faced little competition in 1978 on world markets from African countries such as Nigeria and South Africa, which in the past have been considerable exporters.

Although the Indian peanut harvest for the current season hasn't yet been completed, the

India can produce as many as 8m tons of peanuts in a year—four times the U.S. crop. But it is generally expected that India will limit its exports in

Mr. Frasier Galloway, of the Georgia Crop Reporting Service

catch | said one reason why this year's
ustrial | dry weather didn't have so great

President Carter took office early in 1977.)

In the fiscal year ended July 31, 1978, American peanut exports totalled 511,000 tons, up from 460,000 tons in the year ended July 31, 1977. Exports have continued through to the end of 1978.

The largest importer of American peanuts is Britain which bought 67,750 tons in the 12 months to July 31. The reason for the high British demand, according to Georgia marketing experts, is the decision by the British Government to promote the marketing of peanut butter in the UK.

Mr. Shearman, of the Georgia

A spokesman for the Government could not say how much would be lost, commented that the works would be completely closed until mid-1979. The cost of the plant is a tonne to £412.75.

Copper prices remain virtually unchanged, ignoring currency fluctuations and even US price increases. Asarco raised its prices for electrolytic copper by 0.5 cents a pound, while subsidiary Duval produced 1 cent.

The market for tin and prices rose, assisted by the decline of sterling against the dollar and other currencies.

PRICE CHANGES

	Dec. 30, 1978	Jan. 3, 1979
Aluminum	\$710	\$710
Free market (cmt).....	\$1,800/20	\$1,850/60
Copper cash W.B.#2719.....	1.8	2.75/8
3 months (cmt).....	1.8	2.75/8
Lead cash.....	2.70/8	3.5
3 months (cmt).....	2.775/8	3.5
Nickel cash.....	2.921/8	3.19/5
3 months.....	2.947	3.2435/8
3 months.....	2.912/7	3.183 740/80
Free Market (cmt).....	1.6/5	1.6/8
	1.7/8	2.08 1.9/8
Platinum (cmt).....	\$156	\$156
Free Market.....	\$1,723	\$1,651/64.35
Gold.....	128.75	128.14/40
Silver (cmt).....	95.3/5	1.0 95/8
3 months.....	95.2/8	1.0 95/8
Tungsten.....	15.65/2	16.34/6.61
3 months.....	16.55/2	17.07 31.90
Tungsten (cmt).....	13.15/5	14.41/8
Vanadium.....	22.8/4	23.1/4
Zinc cash.....	2.345/8	2.76 3.47/8
3 months.....	2.357/8	2.76 3.59/8
3 months.....	2.380/8	2.78/8

Cocunut (Phil).....	9910	-10	\$860	71.20-71.25	Oct.	66.75
Ginnahut.....				64.75-64.79	March	65.66
Linseed Crude.....	535	-3.0	2558	66.50-67.00	Sales	5.050
Palm Malayan.....	9615	+6.0	\$602	*Gold-Jan	223.10	(2)

Seeds					
Corn Phillip	\$62.8		\$98.0		
Soybean (U.S.).....	\$28.5	-1.0	\$77		
Grains					
Horse Future.....	\$86.7	+0.1	\$86.6		
Malted Barley.....	\$107	-0.5	\$105		
French No. 3 Am.....	\$107	-0.5	\$105		
Wheat					
No. 1 Red Spring.....	\$58	-0.5	\$57.5		
No. 2 Hard Winter.....	\$58.35	-0.3	\$58.05		
English Milling.....	\$58.35	-0.4	\$57.95		
Other Commodities					

Future Mar.....	\$1,990.5	+26.0	22,145.5	607.20 (608.60), March
Coffee Future				618.40, July 626.80, Sept.
Mar.....	\$1,306	-18.0	21,490.5	648.50, Jan., 653.20, M
Cotton 'A' Index	28.18	+0.1	80.6	May 673.20, July 681.80

Indian kila.....	56.25p	0.5	59.25p
Sugar (Raw).....	194	-3	199
Wooltop 64 (kilo).....	270p	-	274p

* Nominal, † New crop. ‡ Unquoted.
 n Jan.-March, p Dec.-Jan. q Jan.-Feb.
 † Feb.-v Jan. x per ton. ‡ Indicator

Handy Harman spot 604
 Soyabean Jan. 678-6
 March 693-692 (698)½
 July 707-708, Aug. 701
 Nov 667-667½, Jan. 676.
 † Soyabean Meal Jan.
 (189 40), March 190 00-189
 May 189 50-189 20, July

Aug. 189 80, Sept. 188 30.
Dec. 186 00-186 30, Jan.
Soybean Oil - Jan
(25.08), March 24 85-24

FINANCIAL TIMES			
Dec. 28	Dec. 27	Month ago	Year ago
257.51	257.34	263.65	236.05

(Base: July 1, 1922=100)

1495.5	1498.8	1516.3	1417.4
(Base: September 18, 1931=100)			

DOW JONES				
Dow Jones	Dec. 26	Dec. 27	Month ago	1 year ago
Stout	554.47	582.70	584.43	341.76
Future	588.67	581.03	595.12	533.54

MOODY'S

Moody's	Dec.	Dec.	Month	Year
	26	27	ago	ago
Splice Commodity 977.4 875.4 968.11 889.2				
December 31, 1931=100				

JUTE—Steady. Jan./Feb. C and F. Dundee: BWC E266. BWD E254. BTC E268. BTD E255. C and F Antwerp: BWC E570. BWD E573. BWC E572.

BWB \$170, BWC \$338, BWG \$22,
BTB \$568, BTC \$541, BTD \$525 June
goods unchanged. Dec./Jan C and F
Dundee: 40 in 10 oz £11 18, 40 in
7.5 oz £8.55, B twills 30.02+.

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

LONDON STOCK EXCHANGE

Oil possibilities cast shadow over equity markets

30-share index loses 5.3 to 472.9—Gilts react and rally

Account Dealing Dates
*First Declared Last Account
Dealings Date Dealings Day
Dec. 11 Dec. 28 Dec. 29 Jan. 9
Jan. 2 Jan. 11 Jan. 12 Jan. 23
Jan. 15 Jan. 25 Jan. 26 Feb. 6
*New time dealings may take
place from 9.30 am two business days
earlier.

Oil was the key factor in stock markets yesterday. The renewed threat of a tanker drivers' stoppage following the decision by some Esso drivers to strike early in January cast lengthening shadows over equities, while the deepening crisis in Iran, which has ceased to export oil, was another major unsettling influence.

Awaiting further developments on both fronts and with business still restricted by seasonal considerations, it needed only a light weight of selling to depress sentiment in leading industrialists. Dealers' offers of stock to brokers were often rejected, many of the latter being either more interested in financial year-end balancing or suffering the effects of a extended holiday by clients.

An initial mark down in the leaders went virtually unchallenged and the subsequent reluctance of potential buyers led to talk about the movement developing into the major setback some analysts have been forecasting. The FT Industrial Ordinary share index charted the course of events by registering a loss of 5.3 to 472.9 and a closing fall of 5.3 to 472.9.

The Iran situation together with latest weakness in the dollar aroused worries of yet a further hike in U.S. interest rates and ensuing unsettled conditions in short-dated gilt-edged securities. Investment funds were initially very scarce but as the day's early selling wound, they began to emerge and shortly after noon a recovery developed.

Further progress was made later and the early losses, which had rung to 1, were either reduced or erased completely after the official close of business. Trade at the lower end of the market was almost at a standstill but a selective interest, usually from surplus payers, was shown for the low-coupon Funding 5 1/2 per cent 1982-84 which rose 1/8 to 81 1/8. A few other medium life issues improved in sympathy. Corporations were untested.

Largely due to some institutional year-end clearing-up operations, more interest was shown in the investment currency market yesterday. The premium, after moving between 83 1/2 and 84 1/2 per cent, closed unaltered at 83 1/2 per cent. Yesterday's S.E. conversion factor was 0.7000 (0.6991).

Traded Options remained quiet with half the 232 contracts being done in ICI and only 24 of the 186 positions attracted any business.

Insurance brokers dull

Insurance brokers made a dull showing on fresh concern about the sector's overseas earnings in light of the weakening dollar. C. E. Heath relinquished 7 to 233p and Minet 4 to 170p. Down 6 the previous day following news that the bid discussions have been terminated. Brentnall Beard lost 3 more to 32p. Apart from an improvement of 3 to 186p in London United, Composites drifted lower. Sun Alliance, 504p, and General Accident, 200p, cheapened 8 and 6 respectively, while Royals gave up 5 to 360p and GRE 4 to 216p.

Home banks turned easier with NatWest closing 5 off at 283p and ANZ, however, rose 10 to 337p among overseas issues. Most issues drifted lower in an extremely slack trade. Arthur Guinness cheapened 3 to 166p, while similar falls were recorded in Highland Distilleries, 77p, and Distillers, 207p. Still depressed by fading bid hopes, Matthew Clark closed 2 lower at 140p.

Housebuilders A. Monk again displayed weakness in the Building sector, dropping 6 to a low for the year of 73p for a fall of 24 since the recently-announced interim results and the chairman's bleak statement about current trading. Although hardly tested, Contracting and Construction issues presented a generally dull picture. In contrast, Wilson (Connolly) found a little support and added a couple of pence to 125p, while Y. J. Lovell, to 113p, the latter following favourable Press comment. Elsewhere, Veeva Stone moved up 2p to a 1978 peak of 41p in response to the annual results and proposed 100 per cent scrip issue.

ICI drifted lower from the outset and closed 3 cheaper at 364p. Among other chemicals, Farm Feed added a penny for a two-day rise of 6 to 68p and in a thin market, William Rauwen advanced 5 to a high for the year of 306p.

GEC react

Leaving Sincus gave ground on small selling and lack of support. Gausies A lost 4 to 306p and British Home declined 3 to 187p as did Combined English, 108p. Secondary issues displayed an irregular tendency: Wallis cheapened 4 to 78p but H Samuel A added that much to 182p and Time Products appreciated 5 to 182p. Details

of the increased interim loss had no apparent effect on B. Paradise, unaltered at 20p.

Scattered offerings and the virtual absence of support made for dullness in the Electrical leaders where GEC closed around the day's lowest with a fall of 6 at 333p. EMI eased to 136p before recovering to close only a net penny cheaper at 136p. Secondary issues also had an easier bias. Bercave gave up 4 to 130p and Elvconic Rentals, a firm market of late, ran back a penny to 152p. BSR, down a penny at 84p, failed to benefit from news of the 54m. U.S. audio acquisition. Electronic issues to ease a shade further included Racal, 3 down at 345p, and AB Electronics, 2 off at 136p. Against the trend, H. Wigfall continued firmly and put on 4 to 249p, while

Turner & Newall down together with the worsening Iranian situation and the threat of a tanker drivers' strike made for a dull day in miscellaneous industrial leaders. Persistent small selling in an unwilling market saw Turner and Newall gave up 2 at 187p while Glaxo also closed at the year's lowest of 506p, down another 5 on further consideration of a leading broker's bearish circular. Pilkington came on offer at 333p, down 10, while Unilever lost 6 to 532p and Baxi Box 4 to 298p. Bechtel touched 615p initially but rallied to close a net 2 dearer on balance at 625p. Elsewhere, reflecting the increased stake taken in the year by Racal Electronics, Extel improved 4 to 130p, while small speculative interest helped Aeronautical and General Instruments improve 3 to 102p. Kennedy Smale found support at 44p, up 6, while Provincial Landlords 12 per cent Convertibles 1986-88 rose 3 points to 1185. By way of contrast, Sotheby's declined 4 at 34p, after 340p, and Beaton Clark also gave up 4 to 178p.

Saga Holidays put on 5 for a two-day gain of 9 at 182p on expectations of increased demand for holiday bookings, but Harland & Wolff, despite favourable Press comment, eased a penny to 123p. Elsewhere in the Leisure sector, Associated relinquished 2 1/2 to 70p and Caral a similar amount to 106p. Despite the return to profits, Reliant Motor's annual statement had no effect on the shares which held at 92p. Garages tended easier as fears of a petrol shortage increased, with Heron down 2 to 106p.

Not helped by reports of a survey predicting falling circulation, Newspapers finished easily following a quiet session. Daily Mail A shed 5 to 353p while Associated eased 3 to 167p. Among advertising issues, Mills and Allen encountered further profit-taking following recent bid speculation and shed 2 for a two-day fall of 9 at 223p.

Properties attracted a reasonable level of business given general market conditions, but sellers usually predominated and, in consequence, quotations generally finished easier. In the property sector, where the majority of movements were limited to a few pence either way, Shipping took a distinct turn for the worse. Common Bros., a recent speculative favourite, fell back to 185p, while Farness Withy, 236p, and Reardon Smith, 73p, fell 4 apiece. P. & O. Deferred, down 2 at 83p, were not helped by a Press report that the company is believed to have raised £5m by the sale of three of its older cargo ships.

Scattered dealings in Textiles saw most issues barely altered from overnight levels. Courtaulds lost 2 to 116p along with the market trend. Recently firm on bid hopes, David Dixon met small profit-taking and shed 3 to 111p.

ally finished easier. In the leaders, MEPC shot a couple of pence to 149p, while English Property eased a penny to 371p. In quietest of Hotels and Caterers, Ladbrooke came on offer and relinquished 4 to 177p and 285p. In contrast, Press comment highlighting the company's bid prospects prompted a gain of 4 to 188p in De Vere Hotels.

Turner & Newall down

End-account considerations together with the worsening Iranian situation and the threat of a tanker drivers' strike made for a dull day in miscellaneous industrial leaders. Persistent small selling in an unwilling market saw Turner and Newall gave up 2 at 187p while Glaxo also closed at the year's lowest of 506p, down another 5 on further consideration of a leading broker's bearish circular. Pilkington came on offer at 333p, down 10, while Unilever lost 6 to 532p and Baxi Box 4 to 298p. Bechtel touched 615p initially but rallied to close a net 2 dearer on balance at 625p. Elsewhere, reflecting the increased stake taken in the year by Racal Electronics, Extel improved 4 to 130p, while small speculative interest helped Aeronautical and General Instruments improve 3 to 102p. Kennedy Smale found support at 44p, up 6, while Provincial Landlords 12 per cent Convertibles 1986-88 rose 3 points to 1185. By way of contrast, Sotheby's declined 4 at 34p, after 340p, and Beaton Clark also gave up 4 to 178p.

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Oil unsettled

Continuing fears about the possible repercussions from the Iranian political crisis made for another unsettled day's dealings in Oils. Trading conditions were extremely tight and sensitive, with British Petroleum, down 10 at 916p, particularly vulnerable to the occasional selling order. Shell gave up 8 to 565p, while Oil Exploration, 216p, and Siebens (UK), 256p, fell 6 and 10 respectively in the more speculative issues. News of the reduction in its share of the Ninian oil field in the North Sea left Esso down 6 more at 123p and the ONS 25 lower at 38p.

S. Hoffmann reported a 42 per cent drop in first-half taxable profits and, although the interim payment was maintained and the company expects full-year results to be the same as the previous year, the shares reacted 4 to a 1978 low of 64p. Elsewhere among Overseas Traders, Gill and Duffus tended dull on end-of-account selling and gave up 7 at 148p.

Little of interest occurred in the Trust sector where the majority of movements were limited to a few pence either way. Shipping took a distinct turn for the worse. Common Bros., a recent speculative favourite, fell back to 185p, while Farness Withy, 236p, and Reardon Smith, 73p, fell 4 apiece. P. & O. Deferred, down 2 at 83p, were not helped by a Press report that the company is believed to have raised £5m by the sale of three of its older cargo ships.

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Gold steady

South African Golds shrugged off initial uncertainty arising from New York selling overnight and concern about the impact of an oil shortage in South Africa. Prices rallied although they closed below the best as the bullion price sagged in the afternoon.

FINANCIAL TIMES STOCK INDICES

	Dec. 28	Dec. 27	Dec. 26	Dec. 25	Dec. 24	Dec. 23	Year ago
Government Secs.	68.66	68.66	68.67	68.66	68.49	68.60	77.92
Fixed Interest	70.22	70.22	70.37	70.37	70.33	70.05	80.60
Industrial	478.9	478.3	479.3	478.8	478.2	476.1	490.6
Gold Mines	143.2	143.5	141.1	139.2	141.4	140.2	138.6
Gold Mines Ex-6 pm	100.2	99.6	99.8	99.3	101.0	101.2	102.7
Ord. Div. Yield	5.10	6.03	6.03	6.03	6.03	6.02	6.75
Earnings Yld % (ind)	16.00	16.82	16.79	16.83	16.92	16.99	16.97
P/E Ratio (ind)	8.22	8.21	8.23	8.31	8.10	8.18	8.56
Dealings marked	8,445	1,674	1,795	3,583	3,080	5,403	3,563
Equity turnover %	16.80	27.38	49.84	51.98	60.51	65.98	65.98
Equity bargains total	5,037	6,033	5,977	10,328	12,858	12,148	12,148

10 am 475.1, 11 am 473.4, Noon 473.4, 1 pm 472.9, 2 pm 472.9, 3 pm 472.0.
Latest index 07.238.926.
Basis 100 Govt. Secs. 15/10/25. Fixed Int. 1926. Industrial Ord. 1/7/35. Gold Mines 12/8/55. Ex-6 pm, index started June 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS S.E. ACTIVITY

	1978	Since Comp'n	Dec. 28	Dec. 27
	High	Low	High	Low
Govt Secs.	78.58	67.98	147.4	49.18
Fixed Int.	61.37	69.30	150.4	55.35
Ind. Ord.	535.5	433.4	549.2	46.4
Gold Mines	206.6	124.1	442.3	43.5
Gold Mines Ex-6 pm	132.2	60.3	357.1	26.0
Ord. Div. Yield	5.10	6.03	6.03	6.03
Earnings Yld %	16.00	16.82	16.79	16.83
P/E Ratio	8.22	8.21	8.23	8.31
Dealings marked	8,445	1,674	1,795	3,583
Equity turnover %	16.80	27.38	49.84	51.98
Equity bargains total	5,037	6,033	5,977	10,328

ACTIVE STOCKS

Stock	Denomina- tion	Closing price (p)	Change on day	1978 high	1978 low
Shell Transport	25p	565	-8	602	454
BP	1s	185	-10	190	170
Metals Box	25p	48p	-4	70p	48p
GEC	25p	332	-6	349	233
Grand Met.	50p	113	-1	121	87
ICI	£1	364	-3	421	328
Turner & Newall	£1	187	-8	209	157
Ultranar	25p	230	-5	234	182
Associated	25p	5	-2	73	581
Cona. Gold Flds	25p	178	+1	204	163
Marks & Spencer	25p	83	-1	94	67 1/2
Mills Allen Int.	50p	223	-2	236	110
Trafalgar House	20p	120	-1	167	111
Trust Rise Forte	25p	233	-6	289	168

OPTIONS

For rate indications see end of Share Information Service. Money was given for the call in Avana, John Brown, Bank and Commercial, Associated, Fisheries, Talbex, Ladbroke.

DEALING DATES

First	Last	Last	For
Dec-11	Dec-18	Dec-28	Settle
Dec-11	Dec-18	Dec-28	Settle
Dec-11	Dec-18	Dec-28	Settle
Dec-11	Dec-18	Dec-28	Settle

RISES AND FALLS

	Up	Down	Same
British Funds	5	5	88
Corps. Dom. and Foreign	0	7	54
Industrials	135	431	382
Financial and Prop.	80	110	323
Oils	2	18	18
Plantation	2	4	28
Mines	56	16	16
Recent Issues	3	10	16
Totals	253	888	1,947

NEW HIGHS AND LOWS FOR 1978

	NEW HIGHS (20)	NEW LOWS (12)
British Funds	5	5
Corps. Dom. and Foreign	0	7
Industrials	135	431
Financial and Prop.	80	110
Oils	2	18
Plantation	2	4
Mines	56	16
Recent Issues	3	10
Totals	253	888

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

EQUITY GROUPS		Thurs., Dec. 28, 1978					Wed. Dec. 27	Fri. Dec. 22	Thurs. Dec. 21	Wed. Dec. 20	Year ago (approx.)
GROUPS & SUB-SECTIONS											
Figures in parentheses show number of stocks per section		Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (at 3 3/8%)	Est. P/E Ratio (Net)	Index No.	Index No.	Index No.	Index No.	Index No.
1	CAPITAL GOODS (172)	232.08	-1.2	17.22	5.60	7.95	234.82	234.88	234.41	234.42	231.18
2	Building Materials (27)	204.35	-1.2	18.37	6.32	7.49	206.80	206.89	206.09	205.53	195.18
3	Contracting, Construction (28)	358.50	-1.2	21.06	4.52	4.82	372.77	363.62	364.02	363.01	343.25
4	Electricals (15)	841.92	-1.5	13.83	3.58	9.95	849.94	850.11	858.14	849.66	860.55
5	Engineering Contractors (14)	354.51	-1.0	18.39	6.08	7.40	357.92	358.93	358.93	364.61	308.75
6	Mechanical Engineering (72)	182.01	-1.0	18.52	6.16	7.20	185.85	185.71	183.18	183.33	162.25
7	Metals and Metal Forming (16)	160.43	-1.0	17.03	8.31	8.36	166.02	163.92	163.86	162.12	151.19
CONSUMER GOODS											
11	(DURABLE) (53)	209.96	-0.8	16.85	5.16	7.51	212.71	212.67	209.94	209.68	194.61
12	Li. Electronics, Radio, TV (16)	245.81	-0.9	14.06	3.94	9.97	246.74	246.69	245.45	244.55	233.63
13	Household Goods (12)	156.85	+0.2	18.10	6.83	7.58	164.36	166.76	164.79	167.18	181.61
14	Motors and Distributors (25)	128.28	-0.8	21.58	7.00	5.82	123.39	122.49	122.19	122.16	118.54
NON-DURABLE (170)											
21	(NON-DURABLE) (170)	207.54	-0.8	16.44	6.14	8.09	209.18	209.03	208.49	208.88	205.97
22	Breweries (14)	235.25	-0.3	15.73	6.44	8.81	234.04	233.81	232.98	232.05	223.12
23	Wines and Spirits (6)	282.92	-1.4	16.42	5.27	8.94	286.95	285.51	286.76	285.71	256.45
24	Entertainment, Catering (17)	259.29	-1.0	13.77	6.54	10.60	272.06	272.71	271.05	270.62	263.99
25	Food Manufacturing (19)	200.91	-1.0	19.06	5.63	6.96	201.94	202.33	202.02	201.79	192.45
26	Food Retailing (15)	228.00	-0.9	14.60	5.16	9.25	229.13	229.00	228.28	228.95	216.49
27	Newspapers, Publishing (12)	369.95	-0.5	22.74	6.39	8.08	372.08	372.08	368.95	371.29	331.51
28	Packaging and Paper (15)	131.43	-1.1	19.39	8.01	6.75	132.89	132.82	131.52	131.51	149.87
34	Stores (40)	196.80	-0.9	12.42	4.99	11.58	192.49	192.37	191.92	191.58	177.54
35	Textiles (23)	174.91	-0.9	18.04	8.39	7.16	179.88	180.18	180.65	179.96	172.87
36	Tobacco (3)	236.07	-0.7	23.50	7.95	5.03	236.07	235.09	235.09	235.77	228.53
41	Toys and Games (6)	92.28	-0.5	23.92	7.01	4.93	92.28	92.54	92.28	92.25	108.63
42	OTHER GROUPS (99)	194.64	-0.5	15.93	6.39	8.08	195.87	196.43	195.49	195.49	196.87
43	Chemicals (19)	276.77	-0.7	16.09	6.83	8.12	278.88	277.87	277.87	277.87	263.51
44	Pharmaceutical Products (7)	243.76	-0.7	13.38	4.77	10.64	243.75	243.93	243.88	243.48	240.80
45	Office Equipment (6)	138.73	+0.2	18.87	6.80	6.32	138.55	138.94	138.28	138.28	124.61
46	Shipping (10)	212.41	-0.4	14.21	7.49	8.51	212.37	212.02	208.26	207.63	176.42
47	Miscellaneous (57)	209.79	-1.0	18.24	5.85	7.26	213.32	213.49	211.20	211.45	206.30
49	INDUSTRIAL GROUP (494)	217.31	-0.8	16.55	5.99	8.04	219.17	219.22	218.59	218.59	218.75
50	Oils (6)	509.20	-1.2	13.72	7.95	7.95	515.60	515.85	516.78	517.05	488.47
59	ONS SHARE INDEX	242.52	-0.9	16.11	5.67	8.62	243.75	244.62	243.28	243.36	239.29
61	FINANCIAL GROUP (100)	168.81	-1.0	5.85	—	—	170.52	170.44	169.25	169.22	174.16
62	Banks (5)	197.89	-0.8	23.81	5.95	6.30	199.76	199.76	197.16	197.16	179.16
63	Discount Houses (10)	212.93	-0.5	13.77	—	—	212.93	214.45	209.71	211.60	224.81
64	Hire Purchase (5)	145.89	-0.6	14.76	5.37	8.94	146.87	146.78	145.78	146.59	158.31
65	Insurance (Life) (10)	133.91	-1.4	7.01	—	—	133.77	136.08	135.48	135.88	161.82
67	Insurance (Composite) (7)	122.85	-1.7	7.15	—	—	124.74	125.82	123.49	123.93	138.31
68	Insurance Brokers (10)	318.12	-1.4	15.42	6.34	9.26	319.47	319.19	317.47	317.47	307.13
69	Merchant Banks (14)	77.57	-0.4	6.35	—	—	77.57	77.71	77.71	77.71	82.78
70	Property (31)	268.89	-0.5	3.78	30.55	44.12	270.20	270.23	269.21	267.71	245.51
71	Miscellaneous (7)	113.88	-0.2	22.21	5.83	11.47	114.13	113.63	113.13	112.77	109.38
72	Investment Funds (50)	203.88	-0.1	2.17	—	—	204.04	203.96	203.21	202.92	200.98
81	Mining Finance (19)	100.86	-0.6	18.64	7.06	6.61	101.48	101.30	101.53	101.36	89.67
91	Overseas Traders (14)	293.61	-0.8	16.57	7.98	7.57	296.82	295.45	295.09	294.89	281.90
99	ALL-SHARE INDEX (673)	221.39	-0.9	15.75	—	—	223.36	223.56	222.73	222.70	216.43

AUTHORISED UNIT TRUSTS

[illegible][illegible][illegible][illegible]

INSURANCE AND PROPERTY BONDS

CORAL INDEX: Close 471-476

INSURANCE BASE RATES

†Property Growth	114%
†Vanguard Guaranteed	10.87%

*Address shown under Insurance and Property Bond Table.

Property Pension	152.4	156.3	-	Ind. Accm.	10.00	10.00	-
Corbally Insurance Co. Ltd.				Legal & General Prop. & Mgrs. Ltd.			
20, Corbally, E.C.3.		01-626-5210		Life, Queen Victoria St., EC4M 4TP.		01-248-96	
10, Feh. Dec. 29	126.0			LAGP Prop. & Mgrs. Ltd.		10.00	
5 Spec. Dec. 29	121.5		+2.5	Life Assoc. of Pennsylvania			
10, Feh. Dec. 29	121.5	182.0		39-42, New Bond St., W17 0RO.		01-493-83	
10, Feh. Nov. 23	172.5			LAGP Units		10.00	
Frank & Commerce Insurance				71, Lombard St., EC3		01-623-12	
20, Regent St., London W1R 5PE		01-497-0381		London Bk. Unit Trst. Mgrs. Ltd.			

Helios Airways, ECIM 2848 Helios, Pk. Dec. 20 225.74 Fast Int. Dec. 20 13.97 Prop. Ft. Dec. 20 222.02 Reliance Mutual Tondrigh Wall, Kent Ret. Prop. Bkts 221.9 Rothschild Asset Management St. Swithin's Lane, London ECA K.C. Prop. 128.36 (Sheet 2)	01-405 9222 0892 22271 01-626 4356	Welfare Insurance Co. Ltd. Welford Park, Exeter Management Fk 104.9 For other firms, please refer to The London Royal Life Assur. Co. Ltd. Windsor Albert Hse., Shaft St., Windsor Life Ins. Plan 77.2 Future Asset Gdn 77.8 Future Asset Gdn 77.8 Ret. Asset Gdn 44.0 Ret. Asset Gdn 40.2 205.5
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Next pub. day December 29. worldwide Gdt P4 \$05.15/9 [4-11] —

NOTES

Prices do not include \$ premium, except where indicated 2, and are in price unless otherwise indicated.
 1. Prices \$ delivered in the column unless all buying 3. Offered prices include all expenses.
 4. Today's prices. 5. Yield based on offer price. 6. Estimated. 7. Today's opening price. 8. Distribution from
 of UK taxes. 9. Periodic premium insurance plans. 10. Single premium insurance. 11. Offered price includes all
 expenses except agent's commission. 12. Offered price includes all expenses if bought through managers.
 13. Premiums, duty's price. 14. Net of tax on realized capital gains unless indicated by 15. 16. Delivery prices.
 17. Suspended. 18. Yield before Jersey tax. 19. Ex-valuation. 20. All available to applicants.

NOTES

Prices do not include 5 percent, except where indicated \$, and are in pence unless otherwise indicated. Yields % shown in last column allow for all buying expenses, a Offered prices include all expenses. Today's prices, & Yield based on offer price, & Estimated, & Today's opening price, & Distribution free of UK taxes, & Periodic premium insurance plans, & Simple premium insurance, & Offered price includes all expenses except agent's commission, & Offered price includes all expenses if bought through managers, & Premiums £/yr price, & Yield % (on realized capital gains unless indicated by a, & Quarterly price, & Suspended, & Yield before Jersey tax, & £-substitution, & Only available to charitable investors.

[illegible]

Trials	6 1/2	I.C.I.	20	Tobac. invest.
ew	18	"Impos"	6	Unilver
ement	9	I.C.I. at 100	20	Utd. Drupery
	9	Invest	8	Vickers
	11	KCA	3	Woolworths
cks	25	Ladbrokes	17	
ys Bank	35	Legal & Gen.	14	Property
	15	Lloyds	22	Brit. Land
art	24	"Lofo"	4	Cap. Counties
	1	Laurton Brick	5	E.P.

[illegible]



European steelmakers fear more losses

BY ROY HODSON

THE EEC steel industry fears a new round of losses as prices are not expected to rise sufficiently to cover growing production costs.

The prospect comes as a blow to many European steelmakers who have improved their trading performance in the second half of the year. Some West German and French companies have recently been trading profitably while the big State-owned steelmakers of the Community, British Steel Corporation and Finisider of Italy, have been reducing their losses.

But production costs are once again outstripping sales revenue and the steel companies believe there is little prospect of a general increase in EEC steel prices before March or April. This position has not been mitigated by the temporary distortion in the European market caused by the West German steel strike and the accompanying lock-outs which are entering their fifth week.

Viscount Etienne Davignon, the EEC Industry Commissioner, is pressing Europe-wide steel companies to act as his policeman by insisting that member companies respect the minimum steel selling prices listed in the Davignon Plan for restructuring the industry.

However, Eurofer has not, so far, proved capable of enforcing price discipline among all its members. A number of Continental European companies are continuing to sell at below the Davignon minima, although his rules are being strictly observed by British steelmakers.

The increase in costs feared by steel companies is substantial in some cases. British Steel, for instance, is facing a 12 per cent pay claim from the Iron and Steel Trades Confederation, the biggest union in the British industry.

Makers of stainless steel had been hoping that brisker demand would enable them to raise prices. Now they are resigned to holding back a round of increases at least until the spring. They complain that the Davignon Plan is doing little or nothing to protect them from an unfavourable market.

Other EEC countries are supplying West German industry with steel in increasing quantities as the effects of the industrial dispute there affect home supplies. The biggest demand is for flat-rolled products for the West German car industry.

Depressed

A prolonged strike in the West German steel industry would have the effect of hardening EEC steel prices towards the levels the producers are seeking. But the steel companies see little joy in that prospect. They say that the troubles of the West German industry can do nothing to rectify the fundamental imbalance now existing in European steelmaking between costs and prices.

While the European steel market remains depressed, steelmakers have no prospect of achieving further economies in production costs. Better productivity will require a bigger throughput of steel at the mills, most of which are working at 70 per cent or less of capacity.

U.S. to check complaint of EEC steel dumping

BY DAVID BUCHAN

WASHINGTON — The U.S. Treasury announced yesterday that it would launch a formal anti-dumping investigation involving imports of carbon steel plate from five EEC countries, including Britain.

Tougher checks will be made on U.S. steel importing companies that the Treasury thinks may be buying steel from foreign affiliates at less than the Government's trigger prices.

The U.S. Commerce Department said yesterday that steel imports into the U.S. rose to 2,016,000 tons in November, up from the 1.7m tons in October.

Mr. Lewis Foy, chairman of Bethlehem Steel, the second-biggest U.S. steel company, and the head of the American Iron and Steel Institute, said that he was shocked at the November import figures.

These showed "a continuation of clearly unacceptable levels" of foreign steel reaching the U.S. market.

The anti-dumping investigation is based on a complaint from a Pennsylvania company, Lukens Steel, which has alleged that French, Belgian, German, Italian and British steel companies, which exported 150,000 tons of carbon steel plate to the U.S. in the first nine months of 1978, have been selling it at "less than fair value."

Guidance prices

This is the first big anti-dumping case opened by the U.S. Treasury since it introduced its "trigger prices" at the start of the year.

The Lukens complaint on which it is acting alleges that the companies from the five named EEC countries have been selling below the "guidance prices" set by the EEC Commission in Brussels for sales within the European community.

It does not charge them with selling below the U.S. trigger prices—the American system designed to keep out cut price imports.

EEC suppliers have so far this

year accounted for 44 per cent of U.S. carbon steel plate imports, compared to just over 38 per cent in 1977.

Carbon steel plate from Japan was formally declared by the U.S. Treasury in January this year to have been dumped. Since then, Japanese imports have dropped sharply.

However, increased shipments by Japan of 155,000 tons of general steel products in November was the main factor in the rise in imports. EEC steel exports, which were very strong throughout the summer, declined slightly from October levels.

Most of the remaining increase in November came from what the Treasury called "sharply higher" imports of steel plate from Poland.

Polish steelplate is already subject to a U.S. Treasury dumping inquiry begun in October. The Treasury warned that the level of shipments since then could prejudice the outcome of the inquiry against Poland.

U.S. trade deficit narrows to \$2bn in November

BY DAVID BUCHAN

WASHINGTON — The U.S. trade deficit in November narrowed to below \$2bn, while for the same period the index of leading economic indicators, used to gauge future trends, fell for the first time since July.

Administration officials have been forecasting a slowdown in economic growth next year to an annual rate of 2.5 per cent, though the prospect of a recession is repeatedly denied.

The trade deficit for the first 11 months of 1978 now stands at \$26.74bn, or above the record \$26.5bn deficit for the whole of 1977.

Officials argue that it is too early to establish a direct link between the fall in the trade deficit and the leading indicators index. But they do say that, in the longer term, the economy may grow more slowly and consequently suck in fewer imports.

The narrowing of the November deficit, caused by a 1.9 per cent rise in exports to \$13.26bn and an 0.5 per cent increase in imports to \$15.21bn, is relatively good news.

Increased oil imports into the U.S. to beat next year's OPEC oil price rises, had been thought likely to push the deficit higher than the October deficit figure of \$2.13bn.

The level of December oil imports may still rise in advance of the first 5 per cent OPEC price rise on January 1.

Part of the improvement in the November trade picture is attributed to the measures the Carter Administration took in November to strengthen the dollar. These included increased U.S. Treasury gold sales, which boosted the November export figure. The recovery of the dollar has also made imports relatively cheaper.

The 0.6 per cent drop in the November leading indicators index came after fairly steady rises in the previous three months. But the index can be volatile and is regularly revised by the U.S. Commerce Department, as changes in its ten components are made.

Analysts warn that it takes about three months' movement of the index in one direction to indicate a definite trend.

The Administration, and the Federal Reserve Board, can take some comfort from the fact that the biggest single factor in the index's decline in November was a 0.8 per cent drop in the money supply.

This must give some hope for the Administration's fight against inflation, even though the 1979 inflation rate and trade picture will be adversely affected by the 14.5 per cent rise in oil prices.

House prices rise by up to 50%

BY MICHAEL CASSELL

STEEP INCREASES in house prices this year have included rises of as much as 50 per cent in the London area, according to the Anglia, Hastings and Thanet Building Society.

The society yesterday released its annual housing market report based on an analysis of 35,000 properties it dealt with during 1978 and said that there are now some signs that prices are beginning to ease.

Average prices for all new homes rose by 31.5 per cent over the past 12 months. Modern (post-1918) properties increased by 30 per cent on average, while the average price of pre-1919 properties rose by 24.5 per cent.

Variations

The society said the figures concealed considerable regional variations, with average prices in London rising by about 47 per cent. They even covered higher increases for certain types of property, particularly modern homes.

The lowest price rises—averaging only 10 to 15 per cent—were recorded in the East Midlands and Scotland.

Mr. Peter Moreton, the Anglia, Hastings and Thanet chief surveyor, said the sharp increases recorded in most areas were "astounding when seen against a year of fluctuating investors' receipts and Government restrictions on total lending."

In spite of the recent 2 per cent rise in mortgage rates, the demand for home loans still outstripped the supply of building society funds. Most of his society's branches still had a waiting list of three months.

"House price rises and mortgage restrictions do not, however, necessarily diminish the total number of cases which can be funded."

"Experience shows that buyers of all generations are putting more of their own money into purchases and this can only assist in spreading out available funds. It is often said that the life of a mortgage is on average seven years."

"With improved wage packets over such a period and an increased value in their property, the seven-year itch allows many to move upmarket—such aspirations being well within their reach and again not necessarily giving rise to larger mortgage demands."

Strike costs Ford Europe market lead

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD WOULD have been Western Europe's market leader for cars and commercial vehicles this year but for the UK strike.

By the end of October, the group had captured 13 per cent of total Western European new car sales and had an apparently unbeatable lead over Renault, the state-owned French group, which had a 12.4 per cent share.

In 1977, Ford was third in the car sales league, with 12.3 per cent against Renault's 12.8 per cent. Fiat of Italy's share of the market—including the Fiat models made in Spain—was 12.9 per cent.

Ford also had a solid lead in the commercial vehicle market: by the end of October, with a 13.3 per cent share of total Western European sales, well ahead of Renault, with 12.9 per cent, and Peugeot-Citroen, with 11.7 per cent. Ford held second place in 1977 commercial vehicle sales.

The statistics reflect the success of Ford's "Europeanisation" programme in which it has developed products attractive to all European markets.

The figures also illustrate the impact of a full year with a small car, the Fiesta. Its success has even been something of an embarrassment to Ford in Spain, where some assembly of the model is done.

Ford had agreed to restrict its penetration of the Spanish market to 10 per cent in 1978 but had an 11.8 per cent market share by the end of October.

It would have had to restrict sales in the final months of the year had the UK dispute not intervened.

Unfortunately for Ford, 1978 represented its last chance for many years to capture the Western European "double" in car and commercial vehicle sales, for Chrysler Europe became part of the Peugeot-Citroen combine in January.

This newly-formed grouping starts with around 18 per cent of European new car sales and Ford cannot hope to match that for some time.

On the commercial vehicles side, the new Peugeot grouping will start with around 15 per cent of European sales, again enough to give it a clear lead on Ford.

Ford's share of the UK car market in December will be about 16 per cent, compared with BL's 27 per cent.

While much better than the 6 per cent recorded in November, the December figures reflect the fact that a return to normal conditions is taking time.

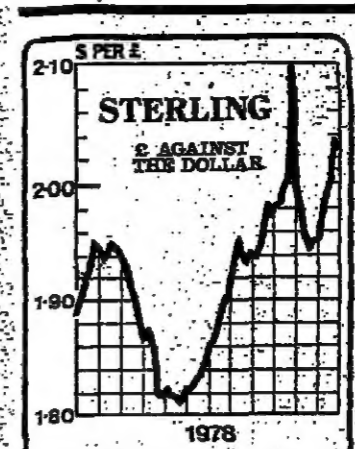
The group's market share should be back to the 25 per cent level in January, usually a month of comparatively high volume sales.

WESTERN EUROPE (15 countries) market shares at end-October			
	Cars	Commercial	%
Ford	13.0	13.3	
Renault	12.4	12.9	
Fiat/Seat/Peugeot	11.7	8.3	
Citroen	12.3	11.7	
VW/Audi	11.4	10.1	
GM	10.4	6.4	
Chrysler	5.9	3.6	
BL	4.9	6.3	
Japanese	6.6	4.3	

Where to draw the line on 1978

THE LEX COLUMN

Index fell 5.3 to 472.9



With the financial year-end of many large British companies only a couple of days off, finance directors will be turning their attention to the shape of the 1978 accounts. In several respects they face a difficult task. For the second year running the dollar is playing a cruel trick upon British companies by staging a sharp decline in December. Finance directors will continue to have to struggle with the stream of accounting standards and exposure drafts. And this year the more successful companies will be in a position to consider the possible implications of the dividend cover rule which will allow them to breach the general 10 per cent dividend limit—if they really want to.

In December, 1977, the dollar lost over 5 per cent against sterling, and this month the decline has been more than 4 per cent (though the dollar picked up a little yesterday after the U.S. trade deficit proved to be not quite so bad as feared). The depreciation of the dollar in terms of sterling has been about 51 per cent this year. On the other hand, it must be borne in mind that 1978 has not, overall, been a strong year for sterling. Although sterling's trade-weighted index has risen by close to 2 per cent this month, there is still a 2 per cent short-fall on the end-1977 level.

But this is deceptive, because scarcely any British companies have significant assets in Japan, and investments in the hard currency European countries are also relatively small. The overseas subsidiaries of British groups tend to be concentrated in the U.S. and in the older Commonwealth countries, and currency conversion effects in most of these cases are going to be unfavourable.

Currency translation is therefore an area where finance directors are likely to be doing a good deal more thinking this year. They have plenty of latitude. There are no rules—even suggested ones—requiring companies to apply closing, historic or any other exchange rates in translating the accounts of overseas operations into sterling. Last year companies concentrated on clearing currency differences—which had suddenly become embarrassingly negative—out of the profit and loss account. This time they may be wondering whether judicious switch from closing to average rates might be worthwhile.

The finance directors most heavily entangled in this accounting web will be those of companies seeking to take advantage of the Treasury's cover rule. The task will be to establish cover on some sort of consistent basis over a period stretching back over six or seven years, and agree with the Treasury a certain figure for the highest cover achieved. This will mean trying to work out, among other things, what tax would have been charged on the new basis, for each year, and whether the "previous" allocation of exceptional, extraordinary or prior year items is immutable. Clearly, if the odd pension fund top-up or tax windfall could be shifted from

one year to another it could make a big difference to the cover calculations.

All this will leave plenty of scope for the agile finance director to negotiate that little bit extra on the 1979 dividend. It may also provide room for the company which is not actually too keen on paying a big increase to put up a smokescreen of technical difficulties and point to an ideal scapegoat in the shape of the Treasury. One challenge for 1979 will be to spot which companies tried hardest to get the dividend up.

Brascan

There was a time when Brascan's 83 per cent interest in Light Services de Electricidade do Rio de Janeiro, the electric energy consumed in Brazil—made it a hot favourite among international fund managers seeking a foothold in a growing economy. Now the position looks quite different. The news that the holding is being nationalised has been greeted with enthusiasm in Toronto, Brascan's home town.

In 1977, Light generated net income of \$155m, or 80 per cent of the Canadian company's income before central costs. But it was only allowed to remit \$29m in dividends. And it was able to generate internally no more than an eighth of the funds required to meet an enormous capital spending programme—which has run to over \$1bn in the last four years.

Demand for electric energy is rising by about 10 per cent a year. But Light buys over three-quarters of its power from the state, and its rates are set by the Government. So the increase in output has not been allowed to flow through to earnings, and it has become increasingly dependent on the relatively short term funds available in the international capital markets. Repayments of these loans have risen in 1978 from \$23m to \$75m.

A group of private Brazilian businessmen offered to buy Brascan out a couple of years ago in a deal worth a nominal \$700m, but the Government did not come up with the necessary guarantees. Brascan's equity interest was valued at \$850m. But the fact that its assets are immutable. Clearly, if the odd pension fund top-up or tax windfall could be shifted from

Weather Hoffnung

INTERIM RESULTS

Unaudited results of S. Hoffnung & Co. Limited for the half-year ended 30th September, 1978:			
	Half-year 1978 (note 1)	Half-year 1977 (note 2)	Half-year 1976 (note 2)
Turnover	£200	£200	£200
Group profit before tax	48,478	50,974	54,345
Tax	880	1,520	1,258
Extraordinary items (note 3)	414	738	915
Profit attributable to minority interests	91	62	47
Half-year preference dividend	225	676	1,034
Profit attributable to ordinary shareholders	10	10	9
Earnings per ordinary share	215	686	1,025
Fully diluted earnings per ordinary share	1.78p	3.78p	4.88p

Notes:—

(1) In accordance with the company's established policy, the results for the half-year ended 30th September, 1978, have been converted into sterling at the rates of exchange ruling at the close of business on that date, when the official rate of exchange for the Australian dollar was £1 = A\$1.63.

(2) The figures for the two half-years ended 30th September, 1977 and 31st March, 1978, have been converted into sterling at the rate of exchange ruling at the latter date, when the official rate of exchange for the Australian dollar was £1 = A\$1.63.

(3) Extraordinary items consist of:—

Extraordinary profits

Deduct: Reorganisation and closure costs net of tax relief

(4) Statement of Standard Accounting Practice No. 12 which refers to accounting for depreciation applies to the Group for the first time in the current financial year. Pending receipt of professional advice, no provision for depreciation on freehold or long-leased buildings has been made in these results. The Board does not expect any provision for the full year to be material.

(5) The tax charge for the half-year to 31st March, 1978, was abnormally low. The Board anticipates that the tax charge for the half-year ending 31st March, 1979, will be at a similar rate to that provided in the half-year ended 30th September, 1978.

As indicated in the Chairman's Annual statement, the results of the first half of the year to 30th September, 1978, were poor. The Board anticipates that the results for the second half of the year to 31st March, 1979, will show an improvement over 1977/78. This belief was largely based on an expectation of a recovery in trading conditions in Australia in the second half of the financial year. This has proved to be the case in October, November and December. On the other hand, the Board anticipates that the results for the first half of 1979 will be largely based on an expectation of a recovery in trading conditions in Australia in the second half of the financial year. This has proved to be the case in October, November and December. On the other hand, the Board anticipates that the results for the first half of 1979 will be largely based on an expectation of a recovery in trading conditions in Australia in the second half of the financial year. 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On the other hand, the Board anticipates that the results for the first half of 1979 will be largely based on an expectation of a recovery in trading conditions in Australia in the second half of the financial year. This has proved to be the case in October, November and December. On the other hand, the Board anticipates that the results for the first half of 1979 will be largely based on an expectation of a recovery in trading conditions in Australia in the second half of the financial year. This has proved to be the case in October, November and December. On the other hand, the Board anticipates that the results for the first half of 1979 will be largely based on an expectation of a recovery in trading conditions in Australia in the second half of the financial year. This has proved to be the case in October, November and December. 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